

Canada earns an “Incomplete” Grade on Aid Reporting

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The Government’s second annual report to Parliament under the new Official Development Assistance Accountability Act, suggests the Government has opted, like in its first report produced last Autumn, for under-reporting and minimum implementation when it comes to Canada’s new aid legislation.

If the pattern persists the Government will be a chronic underperformer, earning an “Incomplete” grade each time it reports to parliamentarians. The Government report - required annually - is on time but uninformative with no clear accountability for the way in which aid spending connects to the standards of the new aid law.

The Government’s second report was tabled in early October. An analysis of the report by the Canadian Council for International Cooperation, and to be posted on CCIC’s web site this week, finds that the Government’s report meets neither the spirit nor the intention of the ODAA Act. The legislation requires that Ministers who spend Canadian aid dollars must satisfy themselves that aid spending is likely 1) to reduce poverty 2) take account of the perspectives of those living in poverty and 3) will be consistent with international human rights standards.

The Government’s report asserts (but does not explain how) the law’s first standard -poverty reduction - was met by last year’s spending. Neither of the law’s other two standards is addressed in the report beyond a stated assurance that they have been taken into account.

In fact, when it comes to both applying the new standards and complying with the consulting requirements of the law the Government has come up short.

A new list of 20 focus countries last was introduced last year – a list intended to guide two thirds of all of Canada’s bilateral spending. The standard described by the minister, at the time, cited three reasons for choosing the new countries 1) prevalence of need, 2) opportunities for effective spending and 3) contribution to Canada’s international interests and objectives.

These are interesting reasons, at first blush, for making aid decisions, but none of them are the reasons set out under the law. The standard established in the law is meant to rule all aid decisions and the law doesn’t allow for making up new standards.

“Making it up as you go along” is a poor idea when it comes to aid spending but it has also found its way into sweeping reforms at Partnership Branch where almost \$250 million a year are spent to help Canadian agencies support the work of developing country partners.

One of the new standards at Partnership Branch is that projects to be funded must be “consistent with Canadian government policy”. It’s a policy that is a mile wide and could apply

to anything. The approach potentially undermines objective standards for the determination of funding decisions and potentially puts the Minister in contravention of the ODA Accountability Act's three explicit criteria for ODA decisions.

The Government's performance in the first two years of the new law also shows gaps in consultations with expert bodies, affected countries and Canadian civil society groups. A key feature of the ODAA Act is that it sets up a duty, for each Minister who dispenses aid dollars, to consult with Canadian civil society and take account of their views when forming an opinion about whether aid spending decisions meet the Act's standard.

None of that occurred when the CIDA Minister created the new 20 country focus list for bilateral aid spending. Nor were there consultations before sweeping changes were announced at CIDA's Partnership Branch.

On a more positive side, Canada's statistical reporting on aid spending is now more current and useful because its statistical data is available almost twice as quickly (preliminary data within six months). But here too there is a problem for those who follow and support the aid file. Canada's aid spending is already decreasing, with Canada spending about \$100 million dollars less in 2009/10 than in the past year. Real Canadian aid spending (not counting debt cancellation, and support for refugees and foreign students studying in Canada) shows no increase at all between 2008/09 and 2009/10. The real aid number was frozen at \$4,670 million in 2009/10. At a time when aid was purportedly increasing, this bodes not well in the coming years when the government itself has announced an aid freeze.

All of this goes to show that the new reporting regime under the Official Development Assistance Accountability Act is helping. Canadians now know sooner how the government is performing. We know what the numbers are. And if the Government can't or won't say, how it is meeting the standard of the new law, we know that too.