

Budget 2013 announcement that CIDA will be merged within the DFAIT

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Budget 2013 included an announcement that Canada's International Development Agency (CIDA) will be merged within the Department of Foreign Affairs and International Trade (DFAIT), that this new departmental arrangement will keep a separate ministerial position, and that it will further enshrine into law the roles and responsibilities of the Minister for development and humanitarian assistance.

The NGO community has long proposed that CIDA be promoted to a senior ministry with its own legislation and has welcomed the commitment of the government to enshrine into legislation the roles and responsibilities of the Minister that oversees the Canadian aid budget.

Merging Canada's International Development Agency (CIDA) within the Department of Foreign Affairs and International Trade (DFAIT) is not a surprise as our development aid has always been tied in to various foreign policy objectives.¹ Under this government there is particular cause for concern because of their questionable commitment toward global poverty reduction and respect for human rights, their foreign policy record and the intended beneficiaries of our international development assistance.

Commitment toward global poverty reduction

In the 2012 budget, this Government announced that it would reduce CIDA's budget by more than 8 percent over 3 years, a reduction amounting to more than \$319 million in expenditures. As a result, Canadian overseas development assistance (ODA) was set to drop to the lowest in recent history, to just 0.25 percent (of our Gross National Income) by 2015. Canada is now near the bottom of the list of donor countries despite our 2008 commitment to the OECD target contribution of 0.7 percent of our national income to international development.

In contrast, the UK's 2013 budget (tabled the day before Canada's) significantly increased their development assistance to meet 0.7 percent this year, despite that country's much tougher economic and fiscal situation. The UK now joins Sweden, Norway, Luxembourg and Denmark who are amongst this few countries who have achieved this goal.

Organizations, who have been working with CIDA funding for decades such as Kairos, Oxfam Canada and CoDevelopment Canada², have experienced funding cuts and delays in the calls for

¹ <http://www.mcleodgroup.ca/cida-swallowed-by-foreign-affairs-at-least-now-you-will-see-the-puppeteers/>

² http://www.codev.org/wp/wp-content/uploads/2011/01/CoDevNewsRelease_CoDev_CIDAmerger_Mar2013.pdf

programs proposals over the past few years. More funding is now being channeled to large multilateral institutions (such as the World Bank and UN World Food Program), while civil society organization in the non-profit sector have seen a sharp decline.³ This has limited their ability to continue their work within CIDA's mandate to address poverty in the global south.

CUPE represents members in several NGO's in the international development sector in Canada; we are an active member of the Canadian Council for International Cooperation (CCIC) and work closely with these organizations as international solidarity partners. CUPE has also been directly involved with an excellent CIDA funded initiative through the Labour International Development Program supporting the trade union movement internationally. We know firsthand the commitment of these organizations to support poverty alleviation, human rights and equality in the global south, and understand the degree to which these funding delays and cuts have undermined their work in Canada and abroad.

Foreign policy record

Canada's reputation globally has deteriorated over the past few years. The shift away from peacekeeping toward more military aggression, our inaction on the environment and our active attempt to undermine the Right to Water debate at UN has given rise to global condemnation. Canada's promotion of the Canadian extractive industry was a factor used to promote the signing of a free trade agreement with Colombia⁴ in 2011 despite mounds of evidence of human and labour rights violations taking place.⁵ Canada is about to repeat this scenario in Honduras where we are about to sign a FTA despite grave concerns about ongoing human rights violations.⁶

CIDA is guided by legislation⁷ that defines a clear mandate for Canada's development assistance, requiring that Canadian international aid contributes to poverty reduction, takes into account the perspectives of the poor, and is consistent with international human rights standards. This mandate may contradict our foreign policy where "Canada's interests" and "Canada's long term prosperity and security" are the priority. This point was highlighted Oxfam's response to the budget, "Foreign Affairs is not in the business of reducing poverty. We

³ <http://cidpnsi.ca/blog/recent-trends-in-foreign-aid-canada/Core> funding to civil society declined from around CAD\$120 million in 2005/06 to under CAD\$50 million in 2009/10. For Canadian civil society, it fell from around CAD\$65 million in 2005/06 to CAD\$40 million in 2009/10, and for foreign groups it fell from CAD\$51 million in 2005/06 to CAD\$6 million in 2009/10.

⁴ http://www.international.gc.ca/media_commerce/comm/news-communiques/2011/230.aspx?view=d

⁵ <http://www.canadianlabour.ca/news-room/submissions/submission-house-commons-standing-committee-international-trade-free-trade-agr>

⁶ <http://www.hrw.org/americas/honduras>

⁷ <http://www.acdi-cida.gc.ca/acdi-cida/acdi-cida.nsf/eng/FRA-121185349-JB8>

risk losing the expertise, focus, effectiveness - and results - that CIDA staff brought to this goal.”⁸

Intended beneficiaries of our international development assistance

In November 2012, the Standing Committee on Foreign Affairs and International Development (FAAE) tabled a report on the role of the private sector in achieving Canada’s international development mandate, entitled “Driving inclusive economic growth: The role of the private sector in international development”.⁹ Following this report, Minister Fantino gave a speech to the Economic Club of Canada where he confirmed CIDA’s intent to engage the Canadian private sector more actively in international development and noted that there were huge business opportunities available for Canadian companies, with emphasis on resource extractive industries, in developing countries.¹⁰

In response, Development & Peace, a Canadian Catholic organization stated the following,

“Our partners across the globe have consistently drawn to our attention their concerns about international trade and investment practices and their impact on poor communities. They have demonstrated that foreign direct investment, per se, does not necessarily raise the living standards of the majority of the people, and indeed, that in many instances, the operations of international companies actually worsen the living conditions of the poor and weaken local institutions of governance.”¹¹

CIDA’s experiments with the private sector have been fraught with problems over the years,¹² most recently raising criticisms at home and abroad when it was revealed that CIDA is funding the activities of Canadian mining companies, or providing technical support on problematic amendments to national mining codes, as in case of Honduras.¹³ It has also been suggested that CIDA funding has been directed towards countries where we have specific trade and economic interests to the detriment of poorer nations¹⁴ (ie. Colombia, Honduras, Afganistan).

⁸ <http://www.oxfam.ca/news-and-publications/news/cida-foreign-affairs-merger-and-budget-cuts-jeopardize-poverty-reduction>

⁹ <http://www.parl.gc.ca/HousePublications/Publication.aspx?DocId=5732913>

¹⁰ <http://www.acdi-cida.gc.ca/acdi-cida/ACDI-CIDA.nsf/eng/NAT-1123135713-Q8T>

¹¹ In a letter dated December 13, 2012. <http://www.devp.org/en/blog/development-and-peace-responds-change-canadian-international-aid-announced-minister-fantino>

¹² <http://www.ipolitics.ca/2012/12/04/past-failure-not-deterring-cida-minister-from-business-partnership-model/>

¹³ <http://www.miningwatch.ca/article/canada-s-development-aid-dollars-odds-communities>

¹⁴ <http://bccic.ca/canada-slash-foreign-aid-12-poor-countries>

Furthermore, the belief and stated objective that Canada's corporate sector will foster economic development, and jobs in recipient countries where Canadian development aid is linked is refuted by many, including Bernard Wood former head of the Development Cooperation Directorate at the OECD who claims "there is no credible evidence of how direct support or partnerships with companies by official foreign aid programs can actually advance this objective."¹⁵

Given Canada's recent international track record and our often corporate driven priorities, it is the intention of this merger between Canada's International Development Agency (CIDA) and the Department of Foreign Affairs and International Trade (DFAIT) that is the issue. There are a number of countries whose model we can analyze as the US, Ireland and Norway have development aid within their foreign ministries, while the UK has an independent departments, with a diversity of outcomes. What is paramount, as CIDA expert Stephen Brown points out is "one of the key reasons why some other countries' Ministries of Foreign Affairs use aid money effectively is that they-and their governments as a whole-have a strong commitment to development and an overarching vision that focuses on fighting poverty. Sadly, that is not the case in Harper's Canada."¹⁶

It is no secret that this is an effort to promote "Canada's long term prosperity and security". NGO's are concerned that this merger will further establish tied aid in the pursuit of economic opportunities for Canadian businesses. There is good reason to be concerned that under the guise of humanitarian assistance and development that Canada aid funding will be used as a tool to pursue foreign policy objectives that are not in the best interest of the communities it's meant to serve. The Canadian Council for International Cooperation (CCIC) has recently stated:

"The government currently places a strong emphasis on advancing the interests of Canadian companies overseas, through the promotion of trade and investment agreements, for example. This is logical in the context of trade and investment. But there is reason to be concerned that the government might also expect CIDA to move away from its core mandate of alleviating poverty by giving undue priority to promoting Canadian companies."¹⁷

Development aid has never been the solution to solving global poverty, at best it mitigates the worst impact of our global economic system and supports communities to take action to alleviate the poverty they experience. Establishing fair trade relations, supporting self-determination efforts and allowing the majority of the people to benefit from their own

¹⁵ <http://www.mcleodgroup.ca/cida-swallowed-by-foreign-affairs-at-least-now-you-will-see-the-puppeteers/>

¹⁶ <http://cips.uottawa.ca/killing-cida-the-wrong-solution-to-real-problems/>

¹⁷ http://www.ccic.ca/_files/en/what_we_do/2012_29_11_CCIC%20comments%20on%20report%20on%20private%20sector%20and%20development.pdf

countries' resources and agricultural and industrial capacity through our foreign policy broadly are important elements of genuine development, job creation and poverty alleviation.

That said, development and humanitarian aid are one mechanism to redistribute wealth and we need to ensure these transfers are protected in Canada from self-interested players. Our development aid must also meet international and national aid guidelines prioritizing poverty reduction, the perspectives of the poor, and international human rights standards. In doing so CIDA should be maintained as an independent department, with governing legislation/policy developed in consultation with civil society.

Canada needs to reverse the \$319 million in cuts it made in 2012 Federal Budget to CIDA and takes steps to meet our 2008 commitment to the OECD target contribution of 0.7 percent of our national income to international development.