



**CONFUSING THE INNOCENT WITH
NUMBERS AND CATEGORIES:
THE INTERNATIONAL POLICY STATEMENT
AND THE CONCENTRATION
OF DEVELOPMENT ASSISTANCE**



Canadian Defence
& Foreign Affairs
Institute

**Confusing The Innocent With Numbers And Categories:
The International Policy Statement And The Concentration
Of Development Assistance**

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December, 2005

Prepared for the Canadian Defence & Foreign Affairs Institute's "Research Paper Series"

1600, 530 – 8th Avenue S.W., Calgary, AB T2P 3S8

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Introduction

Canadians have sometimes been accused of being either ignorant or complacent about Canadian foreign policy and the myriad of problems and issues that impact on Canada from outside its borders. That charge may be somewhat true about Canadian foreign, defence, and trade policy – three of the four components of what the government is now calling its “International Policy” – but it is almost certainly true of Canadian Aid Policy.

Although the concept of foreign aid seems simple enough in its conception as an international form of charity, it is in fact highly complex and controversial. Questions are constantly posed by policymakers, by members of the aid community, and by the many Non-Governmental Organizations (NGOs) which help shape and direct Canadian aid policy and the aid itself, as to how it ought to be distributed, to whom, and for what purposes. Although the underlying question is always “how much aid is appropriate”, the main corollary is usually “Should aid be intended primarily for those nations that need aid, regardless of any payback to Canada? Or should the main aim of aid be to serve Canadian national interests?”

The government purported to clarify some of the major Canadian aid conundrums in the Aid section of its April 19, 2005 International Policy Statement (IPS). It appeared to lay out a plan for an aid policy that in future would be more focused and more likely to bring satisfactory results for money donated. But did it?

In this paper Dr. Denis Stairs takes issue with the government’s claim that the IPS has ushered in a new era in Canadian Aid policy. After a careful reading of the Aid section of the IPS policy – and a great deal of digging – he has concluded that that policy will, when implemented, change almost nothing. In fact, it is little more than a rationale for continuing to do what it has already been doing for many years.

This is the last research paper of the Canadian Defence and Foreign Affairs Institute for 2005. It should be must reading for any Canadian who is concerned with the fate of his or her tax dollars as distributed through Canadian aid policy. It poses a larger question: just how effective has Canadian aid been over the past decade or so and is it not now time for a serious evaluation by some non-governmental agency of whether Canadian aid dollars are as effective in combating global poverty – and serving Canadian interests - as they might be?

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Introduction

On a parfois accusé les Canadiens d'être soit ignorants, soit complaisants en matière de politique étrangère canadienne, et de la myriade de problèmes et d'enjeux qui influent sur le Canada depuis l'extérieur de ses frontières. Cette accusation pourrait avoir plus ou moins de vérité quand il s'agit de la politique étrangère, commerciale et de défense du Canada — trois des quatre éléments de ce que le gouvernement appelle sa « politique internationale » — mais elle est presque certainement vraie pour ce qui est sa politique d'aide.

Bien que le principe d'aide étrangère semble plutôt simple dans son concept de forme internationale d'acte de charité, il est en fait extrêmement compliqué et controversé. Les décisionnaires, les membres de la communauté d'aide et les nombreux organismes non gouvernementaux (ONG) qui contribuent à façonner et à diriger la politique d'aide canadienne et l'aide elle-même, posent sans cesse des questions sur la façon dont il faut distribuer cette aide, à qui la distribuer et pour quelles fins. Bien que la question sous-jacente soit toujours « quel est le montant d'aide approprié », le principal corollaire est habituellement le suivant : « l'aide devrait-elle viser principalement les nations qui en ont besoin, quelles qu'en soient les retombées pour le Canada ? Ou bien l'objectif principal de l'aide doit-il être celui de servir les intérêts nationaux du Canada ? »

Le gouvernement a voulu clarifier certaines des principales énigmes de l'aide canadienne dans le volet de son *Énoncé de politique internationale* du 19 avril 2005 qui portait sur l'aide. Il a semblé dresser un plan de politique d'aide qui serait à l'avenir mieux ciblée et plus susceptible de produire des résultats satisfaisants en échange de l'argent donné. Mais y est-il réellement parvenu ?

Dans son document, Denis Stairs marque son désaccord avec l'affirmation du gouvernement, selon laquelle l'*Énoncé* a marqué une nouvelle ère de la politique d'aide canadienne. Ayant fait une lecture minutieuse de la partie de l'*Énoncé* portant sur l'aide, et après pas mal de recherche, il est arrivé à la conclusion que la politique, une fois mise en œuvre, ne changera pratiquement rien. En fait, elle fournit à peine plus qu'une justification pour que le gouvernement continue à faire ce qu'il fait depuis bien des années.

Ce document constitue le dernier document de recherche publié par le Canadian Defence and Foreign Affairs Institute en 2005. Il s'agit d'une lecture incontournable pour tout Canadien et toute Canadienne qui s'intéresse au sort de la part de ses impôts qui vont financer la politique d'aide canadienne. Il pose une question plus vaste : quelle a été l'efficacité de l'aide canadienne des dix dernières années et n'est-il pas temps qu'un organisme non gouvernemental mène une évaluation sérieuse pour établir si les dollars d'aide canadiens sont aussi efficaces qu'ils pourraient l'être pour lutter contre la pauvreté dans le monde tout en servant les intérêts canadiens ?

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Executive Summary

The April 2005 *International Policy Statement* indicates that Ottawa intends to bring “greater strategic focus” to Canada’s development assistance (a) by concentrating two-thirds of bilateral aid on no more than 25 “development partner” countries by 2010, and (b) by specializing in a smaller array of development activities than has been customary until now. In spite of these claims on the surface, however, the document fails to commit the government *either* to shortening its list of targets *or* to focussing more narrowly than before on development initiatives in fields in which Canada might be thought to have a particular advantage.

With respect specifically to country targeting, a close examination of CIDA’s own statistics indicates that Canada *already* concentrates more than two-thirds of its “bilateral assistance” on only 25 countries. In addition, some of the most generously treated recipients of Canadian aid have *not* been included among the 25 “development partners” that have been explicitly identified by the government, but have been assigned instead to other categories of target. There are several loopholes of this sort.

Similarly, a careful reading of the *Statement*’s account of the particular kinds of development activity upon which the government hopes to focus soon reveals that virtually *any* variety of development initiative can be accommodated by the framework and rationale that it has created.

The concentration objective is in any case more easily declared than accomplished, and nothing is likely to happen without continuous intervention by the political leadership. In the meantime, it is disturbing that the *Statement* lays claim on the surface to a seriousness of intent that cannot be sustained by a close analysis of the details it provides.

Résumé

L'*Énoncé de politique internationale*, publié en avril 2005, indique qu'Ottawa a l'intention d'adopter « une concentration plus stratégique » de son programme d'aide des manières suivantes : a) en consacrant les deux-tiers de l'aide bilatérale à pas plus de 25 pays « partenaires du développement » d'ici 2010 et b) en se spécialisant dans une gamme plus étroite d'activités de développement qu'il ne l'a fait jusqu'à maintenant. En dépit de ces affirmations, le document n'engage cependant pas le gouvernement soit à raccourcir la liste des pays ciblés, soit à se concentrer de manière plus étroite qu'auparavant sur des initiatives de développement dans des domaines où le Canada pourrait avoir un avantage particulier.

Pour ce qui est du ciblage des pays, un examen minutieux des statistiques produites par l'ACDI montre que le Canada consacre déjà plus des deux-tiers de son « aide bilatérale » à 25 pays seulement. De plus, certains des bénéficiaires qui reçoivent un traitement plus généreux d'aide canadienne n'ont pas été inclus parmi les 25 « partenaires du développement » qui ont été identifiés de manière explicite par le gouvernement, mais qui ont été placés dans d'autres catégories-cibles. On retrouve ainsi plusieurs lacunes de la sorte.

De même, une lecture attentive de l'*Énoncé* des types particuliers d'activités de développement auxquelles le gouvernement espère bientôt porter son attention révèle que pratiquement toute variété d'initiative de développement est acceptable selon le cadre et les raisons qu'il invoque.

L'objectif de concentration est de toutes façons plus facile à énoncer qu'à réaliser et il ne se passera probablement rien sans une intervention durable du leadership politique. Entre-temps, il est troublant que l'*Énoncé* prétende au premier abord être sérieux dans ses intentions, alors que celles-ci ne peuvent être confirmées une fois que l'on mène une analyse étroite des détails qu'il fournit.

CONFUSING THE INNOCENT WITH NUMBERS AND CATEGORIES:
THE INTERNATIONAL POLICY STATEMENT AND THE CONCENTRATION
OF DEVELOPMENT ASSISTANCE

Much ado has been made in the press of Ottawa's intention, announced in the April 2005 *International Policy Statement (IPS)*, of bringing "greater strategic focus" to Canada's development assistance program.

In principle, there are two ways of achieving this objective. The first is to limit the number of recipients in order to concentrate the allocation of resources geographically – that is, by country – so as to produce more discernible results, albeit in fewer locations. The second is to specialize in limited *varieties* of assistance, rather than trying to respond simultaneously to the full panoply of developing country requirements. To do the first is to specialize by target. To do the second is to specialize by function. The policies heralded in the *IPS* "Development" paper are said to commit the government to doing both. But is that what they really do?

To examine this question is the purpose of the discussion that follows.¹ It will consider the country targeting first, and the functional focussing second.²

Specializing by Target:

It is hardly surprising, perhaps, that at the time the *IPS* was first released much of the coverage in the press – which was not in any case very extensive – was devoted to the government's stated goal of concentrating "at least two thirds of bilateral aid" (which "currently accounts for roughly 40 percent of the overall international assistance budget") on 25 "Development Partner" countries by the year 2010. (*IPS*, 23) Mass communications media are magnetically drawn, after all, to what they assume are the hard and readily reported 'facts.' Numbers take the sweat out of the reporter's job. Arithmetic 'bottom lines' are easy to convey in a short space, and at first glance

they leave little room for the calculated verbal ambiguities that are so distrusted by the more seasoned representatives of the fourth estate, but so cherished by those who have political or other incentives to mislead (or who have good reason to avoid being tied down by commitments that are too clearly defined, too far in advance). Everyone knows that statistics can be used to tell tall tales, but why go through the tedious work of hunting for them in the absence of reasonable cause for suspicion? It seemed sensible enough in the present case to take the new concentration policy, as stated, at face value.

While there has been criticism here and there of the lengthy five-year time-table involved, and while some observers have complained about the failure to renew the long-standing Canadian commitment to achieving a level of development assistance equivalent to 0.7% of GDP,³ the new enthusiasm for concentrating the bilateral effort has generally been applauded. Better, the presumption goes, to have a significant impact in at least a few places than to distribute the effort so thinly as to have almost no impact anywhere. For many of the critics, such conclusions have been reinforced by the knowledge that Canada is now delivering assistance to some 155 countries, but often – and inevitably, too, given the modest dimensions of the budget overall – in no more than token amounts.

Concentrating by Country is Hard Work (or How We Got to Where We Are): Leaving aside for the moment the question of what these numbers really mean, it should be understood from the outset that targeting development assistance is not a simple undertaking. In the early days of foreign aid programming, Ottawa was a very reluctant player. Far from taking the lead, it was drawn into the construction of the Colombo Plan, first launched in 1950, as a result of several rounds of Commonwealth diplomacy induced by the combined efforts of India and Australia. The former was in need of whatever help it could get. The latter took the 'cold war' view that one of the ways of heading off the rise of an inconveniently radical (that is, 'communist') politics in nearby Asia was to advance

the region's economic prosperity. Ottawa thought this undertaking would be a trifle expensive, and Canadian negotiators, firmly instructed by the Department of Finance, guarded their national treasure with considerable determination. In the early years, they made their most important contribution not so much by offering hard Canadian resources as by promoting the donor participation of the United States (the price of American largesse was the addition of a number of Southeast Asian recipients to the initial list of Colombo Plan targets).

Later in the 1950s, when the feasibility studies that were typical of the initial phases of the Colombo Plan initiative were over, Ottawa became more operationally engaged, and the budget went up. But even when it did, the Plan's originating auspices made it possible for the government to focus its efforts at first on Commonwealth partners, and more specifically on India, Pakistan (including what later became Bangladesh), and Ceylon (now Sri Lanka).

This initial concentration of effort did not, however, last for long, and the South Asian "Topsy" soon grew into something else. In the 1960s, the de-colonization process gathered more steam, and it greatly expanded the roster of Commonwealth supplicants. Given the economizing criterion that underlay Canadian policy (preference would be given to Commonwealth targets), the pleas of the new arrivals were difficult to ignore. For political reasons peculiar to Canada at home, moreover, these emergent fragments of the British Empire in both Africa and elsewhere were shortly joined by counterpart recipients in *la francophonie*.

As the years rolled by, development assistance programming also proliferated under the auspices of multilateral institutions, and Canada, as an inveterate "joiner," was increasingly obliged to put 'foreign aid' assets on the table as a way of buttressing its diplomacy in international organizations (the United Nations not least among them). There were other pressures, too. When Prime Ministers indulged, for example, in 'third world' travels – a phenomenon that accelerated with the growth of 'summit' diplomacy – they found it useful to carry with them gifts of 'ODA' (Official

Development Assistance) to bestow as evidence of their friendly intent. And once they had bestowed them, the commitments involved soon came to have long-term implications. They were easy to turn on, but they were hard to turn off.

The *objectives* of the programme also multiplied as time went on, and in so doing they became much more demanding and complex. Development assistance came increasingly to be aimed not only at kick-starting prosperity, but also at re-engineering both the societies and the polities of the recipients. The promotion of social justice, democratization, human rights, the rule of law, fiscally responsible administration, gender equality, healthy environments, liberal markets, and a number of other comparably ambitious aspirations were singled out for special attention.

All this was reinforced by the clientele of the ODA enterprise, and by the political pressures they generated. Not only the recipient governments and their own 'civil society' organizations (some of them autonomous, many of them clandestinely the creatures of government), but also private sector enterprises and NGOs with headquarters or branch-plant offices inside Canada itself, developed an interest in – even a symbiotic dependency on – the operations of the Canadian International Development Agency (CIDA). In this they were joined by a wide array of other government departments (Foreign Affairs, International Trade, Agri-Foods and Agriculture Canada, Industry, and so on). In such circumstances, concentrating the effort by cutting back on the list of targets was bound to be a politically-painful undertaking. Certainly it was daunting enough to reinforce within the Agency the strategic inertias that are common to established bureaucracies everywhere – public and private alike.

Inertial habits, moreover, were strengthened by organizational need (the Agency depended on NGOs for the delivery of many of its programs in the field), as well as by CIDA's own mandate, role, and convictions. Foreign Affairs and International Trade, for example, might see development assistance as a vehicle for promoting Canada's long-term diplomatic and economic interests. Minds

in CIDA, by contrast, were more inclined to focus on the miseries of the miserable, and to think that bringing them relief and respite – in the long term as well as the short – was all that really mattered.

Figuring Out What the Government Is Really Promising Now: Given these and sundry other difficulties, there is clearly a case for looking at CIDA's circumstances with an empathetic heart. It cannot be easy to walk in its custodians' shoes. But having conceded that, there is a case as well for having a close look at some of the numbers it has provided in the *International Policy Statement*, along with the separately released list of 25 "Development Partners", with a view to determining how real and extensive are the changes implied by the government's current declaratory rhetoric. To what degree, in other words, should the new commitment to target-concentration be taken at face value?

As it turns out, the question is not so simple to answer as one might initially think. This is partly because the numbers in the *IPS*, which in any case seem relatively modest if closely examined, have to be assessed in the context of the loopholes by which they are surrounded. As noted above, for example, the concentration target is defined as "two-thirds of bilateral aid," but we are also told that "bilateral aid" amounts to only 40% of total Canadian ODA. Rounding up, this means that the concentration effort is really focussed on only 27% of the overall development assistance budget.

In addition, the objective is to be achieved very gradually, over a five-year time-frame. Assuming for the moment that the exercise is intended to be genuine, and not merely cosmetic, this leisurely pace may be understandable. The political and diplomatic fall-out that is likely to result from the concentration process, after all, could be very considerable, and in any event many of CIDA's extant commitments are so deeply imbedded that they deprive the Agency of much of its flexibility in the short and medium term. Even where major commitments over the longer haul have not been formally 'locked in' by previously negotiated agreements with recipient countries and other players –

and they often are – severing long-standing symbiotic relationships and dependencies is a bit like pursuing a divorce. However powerful the motive, the job cannot be accomplished overnight.

But having acknowledged this problem, the five-year delay still leaves open the possibility that some of the changes involved would have happened anyway, so that what we actually have in store is not really a top-down Draconian change of direction after all. A closer analysis of the details is therefore warranted, even at the risk of boring to the point of exasperation those who would prefer to come more quickly, and with less effort, to the essentials.

What the Numbers Really Say: The intricacy of the inquiry is unavoidably compounded by the way in which CIDA presents its statistical data, and by the problems its presentation creates for anyone wishing to compare the aspirations outlined in the *IPS* for the years immediately ahead with what is actually going on now. For example, in addressing the issue of “greater country concentration,” reference is made in the *Statement* to “bilateral programming at the country level.” (*IPS*, 22) That might lead the innocent to undertake a comparison with the data in Table J in the *Agency's Statistical Report on Official Development Assistance: Fiscal Year 2003-2004* (the latest compendium available), which offers a summary of “Country-to-Country ODA Flows to the 30 Major Recipient Countries.” (*Statistics*, 33) But total “Country-to-Country” ODA is here reported to be \$1,969.86 millions, or 72.4% of the total Canadian ODA of \$2,719.77 millions – that is, *far* more than the 40% figure that is used as the measure of “bilateral assistance” in the *IPS*.⁴ Apples, clearly, are in one barrel, and oranges in the other.

It turns out on closer examination that the “bilateral assistance” numbers that are being deployed in the *IPS* statement refer only to a *part* of Canada's “Country-to-Country” programming, and not to all of it. More specifically, they refer to the data that are presented in only the first two of the columns in Table M in the *Statistical Report*. (*Statistics*, 37-43) These columns are concerned with what are designated respectively as “Geographical” assistance, and assistance under the

“Canada Fund.” A battery of other figures in the “Country-to-Country” category are left out, including those generated by the Export Development Corporation, various types of debt relief and debt forgiveness, loan repayments, funds disbursed through the voluntary and private sectors, international humanitarian assistance, and sundry special programs bearing on hunger, malnutrition and disease, on Commonwealth and similar scholarship programmes, and on the work of the International Development Research Centre and the International Centre for Human Rights and Development. These other categories of activity, along with assistance classified as “multilateral,” are unaffected by the concentration policy.

The “bilateral assistance” covered by the two pertinent columns totalled \$1,096.81 millions in 2003-4, or 38.4% of total Canadian ODA (that is, “roughly” 40%, just as the *Statement* asserts). So now we seem to have mostly apples in both of the barrels. There is a further complication, however, in that some of the assistance that is accounted for in the first two columns is not so much “bilateral,” as *regional* (e.g., it goes to the Southern Africa Development Community, *La Francophonie*, and other multi-member institutions). If the “regional” and “unallocated” numbers are added together (they come to \$120.43 millions) and then subtracted from the overall total, we end up with an aggregate “bilateral assistance” disbursement in 2003-4 of \$976.38 millions, or 34.2% of total ODA. The proximity of this number to the roughly 40% figure identified in the *IPS* now seems to be a little “rougher” than before, but of course the real numbers will eventually rise in absolute terms, and perhaps also in proportional terms (although this is not clear), as the CIDA budget is allowed to grow over the forthcoming five-year time-frame. But however that may be, this appears to be the *category* of expenditure to which the concentration effort is supposed to be directed.

Having come this far, we are now in a position to develop (from Table M) a list of the top 25 recipients of “bilateral assistance” in 2003-4, and compare it with the list identified in the CIDA news release of April 19, 2005. We can also determine how much concentration of effort is *already*

represented by the current – or, at least, the most recently reported – “top 25” (that is, the “top 25” of 2003-4).

With regard first to the list, it turns out that a base-line development assistance allocation of \$13 millions (a very small number in itself), when applied to the 2003-4 figures, serves to separate the top 25 “bilateral assistance” recipients from all the rest. Of these, 11 are in Africa, two are in the Americas, nine are in Asia, and three are in Europe (broadly conceived) – although two of the latter (Russia and Ukraine) are defined separately as “More Advanced Developing Countries”. The most generously treated recipient was Afghanistan (with \$86.4 millions), followed by Iraq (\$65.85 millions), Bangladesh (\$53.25 millions), and Ghana (\$39.49 millions). The numbers thereafter drop quite precipitately for each recipient as we go down the list.

From the standpoint of assessing the degree of change involved in the new concentration commitment, we are now in position to ask the following question: What portion of Canada’s total bilateral assistance disbursements in 2003-4 (the \$976.38 millions figure calculated above) was accounted for by disbursements to the “top 25” recipients? The answer is \$671.22 millions, or 68.75% – slightly *more* than the 2/3 target that has been identified for the new list of favoured 25 Development Partners by 2010. The more things change, it would seem, the more they remain the same, even if the declaratory rhetoric implies otherwise.

Departures and Arrivals: Having said that, it is true that there have been some changes in the targeting. It may be useful, therefore, to ask how the 2003-4 “top 25” list compares with the new and much-trumpeted list of 25 “Development Partners”? Which countries (on the surface, at least) have lost? Which have won?

In summary form, the picture looks like this:

<u>REGION</u>	<u>DROPPED</u>	<u>ADDED</u>
AFRICA	Egypt Nigeria	Benin Cameroon Niger Rwanda Zambia
AMERICAS	Haiti	Guyana Honduras Nicaragua
ASIA	Afghanistan China India Iraq Philippines	Cambodia Sri Lanka
EUROPE	Serbia & Montenegro Russia	-----

The additions would certainly seem to confirm the government's commitment to focus on countries "that are among the poorest," including in particular a number of the countries in sub-Saharan Africa (the 25 new "Development Partners" include 14 countries in Africa, four in the Americas, six in Asia, and one – the Ukraine – in "Europe"). Perhaps the newly favoured 25 also meet the second criterion for "Development Partner" status, which requires candidate countries to have "the capacity to use aid effectively."

But some of the departures appear a trifle odd. Given its impressive economic take-off, dropping China may be understandable – although many in Foreign Affairs would presumably argue that Canada's long-term economic interests might warrant a continued China presence, if only for promotional purposes. In the case of India, there is little choice in the matter because the Indians themselves have indicated that they are no longer interested in receiving official bilateral assistance.

Excising Afghanistan, Iraq and Haiti, on the other hand, appears extraordinary, given the

government's repeatedly articulated commitment not only to an integrated "3D" approach to dealing with "post-conflict situations" in general, but also to the making of major contributions specifically in these three contexts (as well as in Darfur, Sudan). In the case of Afghanistan, for example, CIDA reports on its web site that in March 2004 the government renewed its commitment "with \$250 million in new funds for development assistance between 2005 and 2009, of which \$100 million is allocated to fiscal year 2005-2006." It also observes that, ever since the January 2002 International Conference on Reconstruction Assistance to Afghanistan, the country "has been the single largest recipient of Canadian bilateral aid."⁵ Given the continuing – and even escalating – Canadian military operations in the theatre, moreover, there is clearly no end in sight. Similarly, the government in July 2004 pledged \$180 million to Haiti over a two-year period, and if prime ministerial rhetoric is to be taken at all seriously (as it might well be, given the political temptations posed by the Haitian diaspora in Montreal), this enterprise, too, seems destined to be maintained for a somewhat longer haul. And finally, in the case of Iraq, the government has been committed since early 2003 to providing humanitarian and reconstruction assistance to the tune of \$300 million, and it is making noises as well about the possibility of participating in an Iraq-oriented debt-reduction program.⁶ On the other hand, the Agency also asserts that "Canada's approach is to provide assistance to Iraq *over a limited period*," (italics mine) and that "[once] order, good governance and institutions of the state are restored, and full oil production is resumed, foreign assistance is unlikely to be needed or sought by an Iraqi government."

This last may be an instance of hope springing eternal, but however that may be, in all three of these cases the commitments would clearly seem more than sufficient to place the countries involved in the "top 25" category of bilateral assistance recipients over the next several years and more. How, then, is their departure from the preferred list of "Development Partners" to be explained?

Unravelling the Puzzle: There appear to be at least five elements in play here – the unkindly-disposed might think of them as ‘loopholes’ – that together help to unravel the puzzle. The first is that Canada’s present commitments to these currently high-profile ‘crisis-level’ targets do not extend beyond 2010, so that it is possible for planners to assume on an interim basis (as in the case of Iraq) that by then they will occupy a lower priority in the government’s preoccupations. The second is that, in cases where decisions *are* taken down the road to perpetuate such commitments beyond the next five years, these can be accommodated under the one-third of total “bilateral assistance” that is NOT subject to the concentration policy – a prospect that is discussed in the *Statement* under the heading of “Other Ongoing Bilateral Relationships.” (*IPS*, 23-4) The third is that the list of “Development Partners” is itself subject to amendment (even before 2010) – so that some of the countries that are currently included may be replaced by others in response to changing circumstances.

The fourth loophole is essentially “definitional” – that is, “Development Partners” are *defined* as “poor countries where Canada can make a difference” (*IPS*, 23), and being able to “make a difference” is understood to depend in part on the “ability of the recipient to use aid effectively”. That, in turn, presupposes a certain level of stability and institutionalization. In failed or disrupted states, like the Sudan or Haiti, this pre-requisite for inclusion in the “Development Partner” category is clearly absent, so that even if decisions are taken to give targets of this sort a very high-priority in development assistance allocations, the preferential treatment can be accommodated, again, under other categories of initiative. Hence, under the heading “Failed and Fragile States,” the *IPS* makes reference not only to the one-third of bilateral assistance that is “not earmarked for Development Partners”, but also to reserving “a special type of bilateral programming for a manageable number of ‘failed and fragile state’ situations.” The cases of Iraq, Afghanistan, Haiti and the Sudan are explicitly referenced as recent or pending examples. (*IPS*, 24)

The fifth and final loophole is that there is a special provision for continuing certain types of “targeted interventions” – albeit with the objective of gradually winding them down – in the case of so-called “Middle-Income Countries” (like Russia and Serbia-Montenegro, perhaps).

What all this really means in the end is that CIDA and the government have retained enormous freedom of manoeuvre in selecting their development assistance targets. There certainly seems to have been at least *some* movement in the direction of focussing on the poorer countries of Africa, with the opportunity cost being borne primarily by the Asians, but the extent of the change has been greatly exaggerated by the government’s own rhetoric, and hence by media coverage. No one should assume that anything like a substantial change of policy has really occurred (or will occur). Nor should anyone believe that such substance as the *Development* paper seems to contain is actually writ in stone.

In sum, much of what is going on here is a form of “Accountant’s Musical Chairs.” The numbers will not *prevent* the government from concentrating its targeting if it so wishes, but they will not *compel* it to do so either. Declaratory policy is one thing. Substantive policy is another. No more in this instance than in others should anyone assume they will necessarily turn out to be the same. And if the interested government ministers truly *want* them to be the same, they will have to keep a watchful eye on the deals their officials make to ensure that they are.

Specializing by Function:

As noted at the beginning, however, there is a second line of attack. Development assistance programmes can concentrate on fewer targets, but they can also concentrate on fewer functions. In addition to “greater country concentration,” the *IPS* thus promises a “greater sectoral focus.” “Canada’s development assistance,” it reminds us, “takes many forms, ranging from urgent

disaster relief to the provision of constitutional advice.” But it then asserts that “[m]ore specialization among donors will make our combined development efforts more effective.” (*IPS*, 11) The declared intent, in short, is to give more focus to what we do, as well as to where we do it.

The government’s way of introducing the subject implies the possibility of negotiating the allocation of development assistance specialties on an international basis through multilateral discussions with other donor states – in effect, a round of exchanges centring on propositions of the “If you do X, then we will do Y” variety. In a perfectly rational world, such a strategy might seem sensible enough. It would amount to the ODA equivalent of a trade policy founded on Ricardo’s laws of comparative advantage. But it would be a politically, diplomatically and administratively impracticable undertaking, and the government clearly does not intend to pursue it very seriously. The experience, in any case, of multilateral ruminations on such matters in the context of international organizations like the World Bank suggests that, if it did, a very different result would probably ensue. Instead of different donors being encouraged to pursue distinctive but complementary specialties, they would be more likely to move, herd-like, in pretty much the same direction under the influence of their shared ideologies and interests, and the currently prevailing conventional wisdom on what kinds of policies have the best chance of producing effective results.⁷

In practice, therefore (and with the odd exception negotiated in the context of unusually urgent crises of the ‘natural disaster’ variety), Ottawa will choose its substantive (as opposed to its rhetorical) specializations, if it specializes at all, on a unilateral basis, and not by collectively determined donor agreement. Even if, in particular operational contexts, the acquiescence of donor partners is required, it will be sought most often for options that the government has already decided that it wants to put on the table, rather than for initiatives gratuitously proposed by others.

Concentrating by Function Is Hard Work (or Can CIDA Really Do It?): But there are problems even if we assume that Canadian priorities will be Canada-determined. The political and

bureaucratic obstacles to change still apply, and taken individually, CIDA's clients, both at home and abroad, can be as deeply wedded to their respective preferences for specializing (say) in Activity A or B as they are to their habit of operating (say) in Country X or Y. No department of government, no interested private business enterprise, no enthusiastic NGO wants to be excluded from the action simply because the government has suddenly decided to focus on doing something else. Given, moreover, the normative overlay in the development assistance challenge, each of them is bound to have at its disposal powerfully emotive arguments – *moral* arguments – for insisting that it be kept in the game. These arguments will be vigorously advanced by those who feel the fall of the axe, and more often than not their lamentations will attract the attentions of the press. Their cries of woe will be reinforced as well by their allies overseas, host governments often among them. In the face of such pressures, the political leadership in Ottawa, however supportive of specialization in principle, may prove to be only its fair weather friend in practice. Critical commentary in the media will be followed instantly by enraged calls from the Prime Minister's Office to CIDA's President and Minister alike, as the Agency's officials presumably know all too well.

In the light of such complications and of others like them, there may be good reason for wondering here, too, whether the government really means what it says when it commits itself to "greater sectoral focus," and even if it does, whether 'what it says' *really* means what it *seems* to mean. One way, after all, of reconciling the demand for functional concentration on the one hand with the need to accommodate the forces that would be injured by it on the other is to support the concentration principle rhetorically, while fudging its application in practice.⁸

Softening the Categories: Even for those who like to keep a careful eye on such matters, only time will tell. This is because the conceptual vocabulary in which the policy is expressed – the objectives it defines, the categories of activity to which it refers – is so general that almost any development assistance operation that might reasonably be conceived by a well-intentioned contractor

of ODA services can be subsumed within it. In effect, the declaratory policy on this subject, as enunciated in the IPS, may be far more useful for rationalizing the government's decisions *after the fact* than for defining (much less limiting) its operational agenda in advance.

That this is so is easily demonstrated. Presumably with a view to enhancing the legitimacy of its analysis, the *IPS* begins its discussion by accepting as its basic frame of reference the "unprecedented international consensus on the key problems and what must be done about them" as reflected in the internationally-agreed "Millennium Development Goals and Selected Targets to be Achieved by 2015."⁹ (*IPS*, 3) In determining the "five programming sectors and one cross-cutting theme" that are now said to be "the main areas of focus for Canadian development co-operation," the government claims to have used three criteria: (1) the potential for advancing the achievement of the Millennium Development Goals [MDGs]; (2) the expressed needs and priorities of the developing countries; and (3) the potential for Canada and Canadians to add value. The first of these is said to have had the "[g]reatest importance," since progress towards achieving the MDGs requires simultaneous action on a variety of fronts at once. As the *Statement*, quite sensibly, puts it,

"Halving the proportion of people living in extreme poverty cannot be realized without durable, sustainable and broadly based economic growth, which depends on a vibrant private sector and on environmental stewardship. Health and basic education, in addition to relating directly to specific MDGs, are also critical preconditions for sustained economic growth. At the same time, experience has shown that durable economic and social development does not happen to societies that are poorly governed....Experience has also shown that for development initiatives to succeed in addressing larger goals, gender equality must be designed into all programs and projects." (*IPS*, 11)

It is hard to quarrel with these observations, but the practical agenda that emerges from

them is alarmingly wide-ranging, and hence is not very conducive to achieving the concentration objective. There is little surprise, therefore, in the discovery that the five “programming sectors” and the one “cross-cutting theme” (“Ensuring Gender Equality”) that the government identifies as Canadian areas of specialization within the MDGs framework cover a very long water-front. This sort of thing makes eyes glaze over, but consider the following. The first of the five sectors is “Promoting Good Governance,” and under its rubric the government commits itself to promoting “democratization,” “human rights,” the “rule of law,” “public sector institution and capacity building,” and “conflict prevention, peacebuilding, and security-sector reform.”(*IPS*, 12-13) The second is “Improving Health Outcomes,” within which the government proposes to specialize in the “prevention and control of high-burden, communicable, poverty-linked diseases,” “strengthening the capacity of health systems,” “improving infant and child health,” “strengthening sexual and reproductive health and reducing maternal mortality,” and “improving food security.” One of these specialties, “strengthening the capacity of health systems,” has a particularly familiar look because it is prominent among the government’s domestic priorities, as well, and like the other specializations on the list, it leads to the identification of an impressive array of operational activities. These are said to be aimed at improving “health training and staffing; surveillance and public health capacity to address new and emerging issues (particularly those affecting women and children); health promotion and applied research; water and sanitation, medical supply chains; and sustainable health-systems financing.” (*IPS*, 14-15)

The point by now is presumably becoming clear, and to establish it there is no need to repeat the foregoing exercise in the case of the remaining three “sectors” (defined as “Strengthening Basic Education,” “Supporting Private Sector Development,” and “Advancing Environmental Sustainability”), all of which are linked to comparably ambitious agendas at the operational level. Simply put, it is next to impossible to conceive of *any* development assistance activity that could not

be defended by reference to one or more of the items on the operational matrix that the *IPS* lays down. Everyone can be accommodated.

To make this point is not, of course, to assert that everyone *will* be accommodated. It is quite possible that some measure of genuine sectoral concentration will ultimately materialize. But there is nothing in the vocabulary of the *IPS* itself that will serve to guarantee this result. In effect, therefore, CIDA has successfully retained on the sectoral specialization side, as on the country targeting side, its long-standing freedom of manoeuvre. It can be as eclectic in its choice of activities as it likes in responding to both its own bureaucratic imperatives and the pressures that are continuously exerted upon it by its demanding and multi-faceted clientele.

Concluding Comment:

The general conclusion to be drawn from this analysis is that the emphasis assigned in the *International Policy Statement* to a more focussed and concentrated – in effect, to a more ‘strategic’ – pattern of Canadian development assistance programming is much less persuasive on close examination than it was thought to be by many observers when the document was first released. It certainly does not *preclude* a more concentrated approach, but there is nothing in its formulations, taken by themselves, that will guarantee this sort of outcome. Given, in fact, the complex forces that perpetually play on the ODA policy-making process, it seems highly unlikely that a significantly concentrated strategy will emerge of its own accord.

It follows that the stated objective will only be achieved if the political leadership pays close and continuous attention to what is actually going on at the ground level, and insists on following through. This means in turn that it must be willing to weather the vociferous criticisms that will immediately flow from the disappointed if it orders the bureaucracy to make the hard choices that the government is claiming, in principle at least, that it really wants. There are good reasons – rooted

largely in unrelated distractions of domestic politics – for doubting that this willingness is really there. If it is not, nothing very new is likely to happen – not, at least, as a direct result of the discourse proffered up by the *IPS*.

In that event, the “Development” booklet, like many other documents of its kind, will turn out to be not so much a serious recipe for government policy as a minor diversion aimed at preoccupying, and thereby rendering harmless, the interested chattering classes.

This melancholy observation leads to one final thought, proffered as much in sorrow as in anger. To the extent that the development assistance section of the *IPS* has been written in a way that has caused its readers to think that something is happening that in fact is not, or not at least to the extent that the document implies, it is a misleading instrument. In effect, it misrepresents what the government is really doing. The seasoned and the cynical may take the view that this is par for the course, and that sophisticated students of politics and government should not be surprised by it. But Ottawa makes a great deal these days of the importance of transparency in government, and it spends inordinately large sums on various kinds of “consultations with Canadians” with a view to persuading the attentive citizenry that they have a significant role to play in policy development. Such activities, the government argues, are indispensable to the democratic process, and more specifically in this area to the “democratization” of foreign policy.

But democratic accountability is simply impossible in the absence of honesty in government communications, and there can be little value in orchestrating public policy debates on the basis of obfuscated, not to say fictional, accounts of reality. Before we experiment too extensively with exercises in direct democracy, therefore, we would be well-advised to go “back to the basics.” We need, in short, to meet the less demanding requirements of traditional representative democracy first. It is not obvious that the “Development” booklet meets this rudimentary test.

ENDNOTES

1. I am indebted to Kim Richard Nossal, Jennifer Smith and six CDFAI assessors for their helpful comments on an earlier draft of this small disquisition. None of them, however, is responsible for my interpretation of the numbers involved, much less for the conclusions I have reached. If I am faced in due course with a persuasive counterattack and am brought down by it, the fault will be entirely my own.

2. The analysis is based on three principal sources. The first is the document entitled *Canada's International Policy Statement*, released in mid-April 2005, and more specifically the booklet (one of five) headed *A Role of Pride and Influence in the World: Development*, which originated largely with the Canadian International Development Agency. The document is referenced in the text as either *IPS* or *Statement*. The most pertinent passages for the first part of the present discussion are on pp. 22-26, and for the second part on pp. 11-22. The document itself can be obtained on-line at www.acdi-cida.gc.ca.

The second primary source is the News Release (No. 2005-17) issued on April 19, 2005 under the title "CIDA announces new Development Partners: developing countries where Canada can make a difference." Publication of the list was delayed slightly by the need to inform – and doubtless also to reassure – the affected countries. This document – referenced here simply as *News Release* – can also be obtained on the CIDA web site.

The third source is the Agency's *Statistical Report on Official Development Assistance: Fiscal Year 2003-2004* (referenced in what follows as *Statistics*). It, too, is available on the CIDA web site. The most pertinent tables in the present context are Table J, on p. 33, and Table M, on pp. 37-44.

3. The CDFAI 2003 report entitled *In the National Interest: Canadian Foreign Policy in an Insecure World* suggested a more modest – but perhaps more realistic – target of 0.4% (p. 37), but this would not have satisfied the critics. For a carefully argued statement in support of the more ambitious 0.7% position, see Jean-Sebastien Rioux, "Striving to Influence Canada's Role in the World through Development," in David Bercuson and Denis Stairs, eds., *In the Canadian Interest? Assessing Canada's International Policy Statement* (Calgary: Canadian Defence and Foreign Affairs Institute, 2005), pp. 31-39. If the 0.7% target were accepted and taken seriously, CIDA's budget would increase to well over \$9 billions. It seems unlikely that the Agency's current administrative apparatus could distribute such a sum in a responsible fashion. It could obviously elect to hand over very large cheques to international aid organizations, both public (intergovernmental) and private (non-governmental), but this would seriously weaken the lines of accountability and it would also gravely diminish the government's control over the uses to which the assistance was put. These kinds of consequences would hardly be tolerable at such high levels of expenditure.

4. For what it is worth, 49% of total "Country-to-Country" assistance in 2003-4 went to the top 30 recipients, and 45.3% to the top 25.

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5. Brief descriptions of Canada's development assistance operations by country can be tracked from the menu at <<http://www.acdi-cida.gc.ca/cidaweb/webcountry.nsf/index.html>>.
 6. CIDA reports that Iraq's debt to Canada now stands at approximately \$750 million.
 7. For a revealing account of how this process works and what forces may lie behind it, see David R. Black & Jean-Philippe Therien, with Andrew Clark, "Moving with the crowd: Canadian aid to Africa," *International Journal*, Vol. LI, No. 2 (Spring 1996), pp. 259-286.
 8. If this sounds a trifle cynical, it may be worth noting that the scepticism that I bring to bear in attempting to make sense of the government's rhetoric in this context is shared by others. See, for example, Kim Richard Nossal, "The Responsibility to be Honest," in David Bercuson and Denis Stairs, eds., *op cit.*, pp. 40-49; and Jean-Sebastien Rioux, *op cit.*, especially pp. 34-35.
 9. The eight so-called "MDGs" were agreed to by both developed and developing countries in the year 2,000, at the turn of the Millennium, and they include the following: (1) Halving extreme poverty and hunger; (2) Achieving universal primary education; (3) Promoting gender equality; (4) Reducing under-five mortality by two-thirds; (5) Reducing maternal mortality by three-quarters; (6) Reversing the spread of HIV/AIDS, malaria and TB; (7) Ensuring environmental sustainability; and (8) Developing a global partnership for development, with targets for aid.



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