



HOUSE OF COMMONS
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CANADA

**DEVELOPMENT COOPERATION FOR A MORE
STABLE, INCLUSIVE AND PROSPEROUS WORLD:
A COLLECTIVE AMBITION**

**Report of the Standing Committee on
Foreign Affairs and International Development**

**Hon. Robert D. Nault
Chair**

NOVEMBER 2016

42nd PARLIAMENT, 1st SESSION

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THE STANDING COMMITTEE ON FOREIGN AFFAIRS AND INTERNATIONAL DEVELOPMENT

has the honour to present its

FOURTH REPORT

Pursuant to its mandate under Standing Order 108(2), the Committee has studied the Canadian government's countries of focus for bilateral development assistance and has agreed to report the following:

TABLE OF CONTENTS

LIST OF RECOMMENDATIONS	1
DEVELOPMENT COOPERATION FOR A MORE STABLE, INCLUSIVE AND PROSPEROUS WORLD: A COLLECTIVE AMBITION.....	3
INTRODUCTION	3
AID CONCENTRATION: A RECURRENT IDEA.....	4
THE RATIONALE FOR COUNTRIES OF FOCUS: LOGIC AND EVIDENCE	6
THERE ARE NO MAGICAL SOLUTIONS	9
BROADER OBSERVATIONS ABOUT CANADA’S APPROACH TO GLOBAL DEVELOPMENT.....	13
A. Development is not what it once was.....	13
B. The Effective Management and Delivery of Development Assistance is as Important as the Determination of its Recipients.....	15
C. Canada should be a Centre of Development Policy Excellence	16
D. Canada needs a Long-term and Ambitious Strategy for International Development.....	18
CONCLUSION.....	22
APPENDIX A: 2014 LIST OF THE COUNTRIES OF FOCUS AND DEVELOPMENT PARTNER COUNTRIES.....	25
APPENDIX B: 2009 LIST OF COUNTRIES OF FOCUS	27
APPENDIX C: 2005 LIST OF DEVELOPMENT PARTNER COUNTRIES	29
APPENDIX D: 2002 LIST OF COUNTRIES FOR ENHANCED PARTNERSHIPS	31
APPENDIX E: SELECT INDICATORS ON CANADA’S COUNTRIES OF FOCUS	33
APPENDIX F: CANADA’S RELATIVE RANK AMONG DONORS (2014)	35
APPENDIX G: CANADIAN OFFICIAL DEVELOPMENT ASSISTANCE AS A PERCENTAGE OF RECIPIENT COUNTRIES’ TOTAL AID (AVERAGE 2010–2014)	37
APPENDIX H: CANADA’S OFFICIAL DEVELOPMENT ASSISTANCE AS A PERCENTAGE OF GROSS NATIONAL INCOME COMPARED TO G7 COUNTRIES AND OTHER OPEN AND MID-SIZED ECONOMIES (2015).....	39
APPENDIX I: WEIGHTED OFFICIAL DEVELOPMENT ASSISTANCE EXPENDITURE AS A PERCENTAGE OF GROSS NATIONAL INCOME BY CANADIAN PRIME MINISTER (1968–PRESENT)	41

APPENDIX J: CANADA'S HISTORICAL OFFICIAL DEVELOPMENT ASSISTANCE	43
APPENDIX K: LIST OF WITNESSES	45
APPENDIX L: LIST OF BRIEFS.....	49
REQUEST FOR GOVERNMENT RESPONSE	51
SUPPLEMENTARY OPINION OF THE NEW DEMOCRATIC PARTY OF CANADA	53

LIST OF RECOMMENDATIONS

RECOMMENDATION 1

The Government of Canada’s new international assistance policy should reflect a transparent evaluation of the countries of focus approach and whether it has enhanced the impact and effectiveness of Canada’s development assistance. In particular, the evaluation should address the selection criteria that have been used to determine Canada’s countries of focus and development partners, clarify how those criteria resulted in the existing lists of countries, and indicate the conditions that would trigger the addition or withdrawal of countries from those lists in the future. The evaluation should also assess the results of concentrating 90% of all bilateral resources in 25 countries. 8

RECOMMENDATION 2

The Government of Canada should evaluate the personnel recruitment and rotation policies used by Global Affairs Canada so as to ensure that there is substantive regional and sector-based development expertise within the department..... 9

RECOMMENDATION 3

The Government of Canada should ensure that its new international assistance policy establishes strategic objectives to guide Canadian development cooperation for at least the next 15 years, consistent with the United Nations 2030 Agenda for Sustainable Development. That policy should take into account:

- all sources of development finance;
- all forms of development cooperation; and
- the development roles played by all actors in Canadian society..... 15

RECOMMENDATION 4

The Government of Canada should ensure that there is a branch within Global Affairs Canada that is dedicated solely to development policy research, analysis and evaluation. 17

RECOMMENDATION 5

The Government of Canada should, within the next year, publish a long-term engagement strategy for each of its bilateral and regional cooperation programs, and then ensure that those country and regional strategies are updated and evaluated at regular intervals..... 19

RECOMMENDATION 6

As part of its long-term engagement with development partners, the Government of Canada should favour long-term and predictable funding arrangements, prioritizing projects that involve local actors – including local civil society organizations – and that respond to needs identified by them, with a particular emphasis on initiatives that are aimed at empowering women and girls..... 19

RECOMMENDATION 7

The Government of Canada should aspire to a plan that would see Canada spending 0.70% of its gross national income (GNI) on official development assistance (ODA) by 2030. The first stage of that plan should see the government spending 0.35% of GNI on ODA in 2020..... 21

DEVELOPMENT COOPERATION FOR A MORE STABLE, INCLUSIVE AND PROSPEROUS WORLD: A COLLECTIVE AMBITION

INTRODUCTION

The House of Commons Standing Committee on Foreign Affairs and International Development (the Committee) has studied the Government of Canada's policy to concentrate bilateral development assistance in what are known as "countries of focus." In the course of that work, the Committee received testimony from Global Affairs Canada, the International Development Research Centre, and several non-governmental organizations, as well as academics and other experts. The Committee also received a number of written briefs that informed its study and the content of this report.

It was an opportune moment to hear perspectives on the country of focus model and Canada's role in global development more broadly. The Committee's hearings coincided with the Minister of International Development and La Francophonie's launch, on 18 May 2016, of a comprehensive review of Canada's international assistance¹ policy and funding framework. That review aimed to "rethink Canada's policies and programs in order to better respond to the challenges and opportunities of the new global context."² While the Committee set out to study the countries of focus, it ended up hearing about a far greater range of issues relevant to Canadian development policy, all of which are relevant to the government's review, and any decisions or new directions that may result from it.

This report begins with the genesis of the country of focus approach. It then considers arguments that have been made in support of, and in opposition to, the idea of targeting bilateral aid in a limited number of countries. In the section that follows, the report summarizes the ideas and proposals that the Committee heard in relation to the countries of focus, including possible alternative approaches. Moving from the specific topic of

1 International assistance is a term used by the Government of Canada. It "includes all financial resources provided by Canadian governments (federal, provincial, or municipal) toward development assistance." The Committee's report also refers to official development assistance (ODA). Global Affairs Canada indicates that not all international assistance counts as ODA, but ODA "represents the vast majority of Canada's international assistance." The Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) defines ODA as flows that are provided by official agencies or their executive agencies to countries and territories on the DAC List of ODA Recipients and to multilateral institutions. Funding must be concessional in character and convey a grant element of at least 25 percent. The OECD-DAC's definition of ODA is widely used to compare donor spending. That definition is compatible with Canada's [Official Development Assistance Accountability Act](#). Additionally, for spending to be reported by the Government of Canada as ODA under that Act, it must meet the three criteria established in Section 4.1 of the Act: the spending must contribute to poverty reduction; take into account the perspectives of the poor; and, be consistent with international human rights standards. Global Affairs Canada, [Statistical Report on International Assistance 2014–2015](#), 2016.

2 Global Affairs Canada, "[Minister Bibeau launches Canada's international assistance review and consultations](#)," News release, 18 May 2016. For further information, see: Government of Canada, [Canada's international assistance review consultations](#). Public consultations were held from May to July 2016.

countries of focus, the report then puts forward the Committee's broader observations on Canada's development policy and international assistance budget, in the context of a rapidly changing world.

It is important to clarify, at the outset, what this report does not do. It is not an audit of the many Canadian development projects that are being implemented in the 25 countries of focus. The Committee is determined to review – in the field – the results of Canada's development assistance. It began that work with its recent fact-finding mission to Guatemala and Colombia, the findings of which will be detailed in a forthcoming report. This report is an assessment of a policy idea. It tests the long-held belief that the effectiveness of Canada's bilateral development assistance is enhanced when the government allocates a significant proportion of available resources to projects in a limited number of countries. Doing so requires selection criteria to guide decisions, the existing version of which was also scrutinized by the Committee in the preparation of this report.

AID CONCENTRATION: A RECURRENT IDEA

The general idea of focusing Canadian bilateral development assistance is not new. It first emerged as a policy consideration within the Canadian government in the 1960s. In the years that followed, the idea of concentration and strategic selectivity in the provision of development assistance continued to gain traction in Canada and internationally. The then-Canadian International Development Agency's (CIDA) *Strategy for International Development Cooperation 1975–1980*, for example, committed to giving particular attention to “a limited number of countries selected on the basis of need, commitment to development, general Canadian interests and the geographic distribution of other donors' bilateral assistance.”³

Nevertheless, by 2002, Canada's assistance was estimated to be the most dispersed of any member of the Organisation for Economic Co-operation and Development's (OECD) Development Assistance Committee (DAC).⁴ CIDA acknowledged this situation in its 2002 *Policy Statement on Strengthening Aid Effectiveness*. That document commented that, while CIDA had “traditionally described its bilateral assistance as being focused on 30 core ... countries and regions,” Canada's aid was, in fact, “widely dispersed with at least some bilateral programming in approximately 100 countries.”⁵ The scale of CIDA programming in each of those countries was, consequently, relatively

3 Cited in David R. Morrison, “The Choice of Bilateral Aid Recipients,” in *Canadian International Development Assistance Policies: An Appraisal*, Cranford Pratt, ed., McGill-Queen's University Press, 1994, p. 130.

4 The OECD-DAC currently has [29 members](#), including Canada. It is a forum of most of the largest country funders of international aid. The DAC measures and shares statistics on development finance, conducts peer reviews of members' development cooperation programs, and works to improve development policy. As members, countries “pledge to implement forthwith” DAC recommendations and “commit to use [DAC guidelines and reference documents](#) in formulating national development co-operation policies.”

5 Canadian International Development Agency (CIDA), [Canada making a difference in the world: A policy statement on strengthening aid effectiveness](#), September 2002, p. 9. CIDA was amalgamated with the Department of Foreign Affairs and International Trade in the new Department of Foreign Affairs, Trade and Development in 2013, which was renamed Global Affairs Canada in 2015.

small. Around that time, the top 15 recipients of Canada's programming were receiving 15.8% of Canada's total official development assistance (ODA).⁶

The 2002 policy committed CIDA to selecting "a limited number of the world's poorest countries for an enhanced partnership relationship."⁷ An "initial group" of low-income countries – only nine – were subsequently identified as targets for a more focused allocation of resources (see Appendix D).⁸ Two additional countries – South Africa and Nigeria – were also designated as countries of "regional significance" for CIDA.

The emphasis on targeting Canada's aid resources continued with the 2005 *International Policy Statement*. It committed the government to enhancing its focus "on long-term bilateral programs with a core group of 25 'Development Partners,'"⁹ which included the nine enhanced partnership countries (see Appendix C).

In 2009, the Minister of International Cooperation announced that the Government of Canada would be focusing 80% of its bilateral assistance in 20 "countries of focus" (see Appendix B). The countries were selected "based on their needs, their capacity to manage development programs, and their alignment with Canadian foreign policy priorities."¹⁰ A few months later, five "priority themes" were announced to guide Canada's ODA programming: stimulating sustainable economic growth; securing the future of children and youth; increasing food security; advancing democracy; and, promoting security, stability and sustainability.¹¹

In 2014, the Canadian government announced that it was increasing the number of focus countries from 20 to 25 (see Appendix A). The government also decided to maintain "a number of smaller bilateral programs in countries known as development partners."¹² Canada therefore currently has bilateral programs in 37 countries: the 25 countries of focus and 12 development partner countries.¹³ The 2014 policy decision also increased – from 80% to 90% – the proportion of Canada's total budget for bilateral development

6 Ibid.

7 Ibid., p. 11.

8 CIDA, [Departmental Performance Report 2003](#), p. 47.

9 Government of Canada, "Overview," *International Policy Statement: A Role of Pride and Influence in the World*, April 2005, p. 23.

10 CIDA, [Canada's Aid Effectiveness Agenda: Focusing on Results](#), September 2010.

11 Ibid. Those five priority themes "are currently being reconsidered as part of the Government's International Assistance Review." Global Affairs Canada, [Report to Parliament on the Government of Canada's Official Development Assistance, 2015–2016](#), 2016, p. 18.

12 Foreign Affairs, Trade and Development Canada, "[Canada Enhances Focus in Global Fight Against Poverty](#)," News release, Ottawa, 27 June 2014.

13 Through all of its channels, the Government of Canada delivers development assistance via bilateral, multilateral and non-governmental partners in more than 80 countries around the world. Global Affairs Canada, [Report to Parliament on the Government of Canada's Official Development Assistance, 2015–2016](#), 2016, p. 4.

assistance that would be targeted in the 25 countries.¹⁴ Such geographic focus does not apply to multilateral programs, partnerships with civil society organizations, peace and security programs or humanitarian assistance.¹⁵

THE RATIONALE FOR COUNTRIES OF FOCUS: LOGIC AND EVIDENCE

The policy of successive governments to focus Canada's bilateral development assistance in select countries has been driven in large part by the idea that it increases aid effectiveness. This argument is supported by the OECD-DAC. In its 2007 peer review of Canada's development program, the OECD-DAC encouraged "the Canadian government to accelerate the concentration of bilateral aid on fewer countries and to disengage from countries where Canada does not have a comparative advantage, phasing out projects that are unlikely to make a durable impact on poverty reduction."¹⁶ The DAC's most recent peer review of Canada, in 2012, commended Canada's efforts to narrow its thematic and geographic focus. That approach, the review declared, was "in line with DAC good practice for aid effectiveness."¹⁷ Canada is not alone in its embrace of concentration. Some method of focus is applied by most major DAC donors in their development programs.

Global Affairs Canada told the Committee that focus amplifies the results of development spending. Such concentration of financial and human resources in a select number of countries, the departmental officials attested, allows for "stronger relations and a more credible voice with local partners," as well as "a better ability to respond to local needs and conditions, and align with local priorities in order to reduce poverty." From their perspective, concentration reduces the department's own "administrative overhead" and the "administrative burden" for recipient countries. That burden includes the many reporting requirements attached to development projects. By aiming to be among the top donors in a given country, geographic focus also gives Canada "greater influence and an ability to program in a wider range of sectors," including through increased in-country engagement and field presence.¹⁸

Some testimony indicated that, by having countries of focus, Canada can enhance the predictability and the efficiency of its aid delivery. Efficiency is not, however, synonymous with effectiveness. In fact, when asked, no witness who appeared before the Committee was able to point to any study that has established a clear connection between geographic focus and enhanced impact from aid spending. The Committee did not

14 Foreign Affairs, Trade and Development Canada, "[Canada Updates List of Development Countries of Focus](#)," *Backgrounder*, 27 June 2014. According to Global Affairs Canada, 83% of bilateral development assistance was concentrated in the countries of focus in 2009–2010; 88% in 2010–2011; 85% in 2011–2012; 87% in 2012–2013; 84% in 2013–2014; and, 89% in 2014–2015. Source: written response to a question from the FAAE meeting of 12 May 2016.

15 One third – \$1.25 billion – of the total international assistance – \$3.74 billion – provided by Global Affairs Canada in 2014–2015 was bilateral.

16 OECD-DAC, [Development Assistance Committee Peer Review: Canada](#), 2007, p. 36.

17 OECD-DAC, [Development Assistance Committee Peer Review 2012: Canada](#), 2012, p. 26.

18 House of Commons Standing Committee on Foreign Affairs and International Development (FAAE), [Evidence](#), 1st Session, 42nd Parliament, 12 May 2016.

receive any information from the department that would indicate that it has conducted such a detailed evaluation. It is also unclear as to whether the department took the in-country presence and thematic priorities of other donors into account in the process of determining Canada's areas of focus.

Lauchlan Munro, Director, School of International Development and Global Studies, University of Ottawa, informed the Committee that the arguments made in favour of country focus are, essentially, "intuitive". He was not only unaware of any "evidence whatsoever to prove the assertion that working in fewer countries increases a given aid program's effectiveness," he was "not even aware of any attempt to construct a measure of aid effectiveness for bilateral programs that could then be correlated with a measure of country focus." Professor Munro has therefore concluded: "The idea that aiding fewer countries will make Canada's aid program more effective is faith-based policy-making, not evidence-based policy-making."¹⁹

Stephen Brown, Professor, School of Political Studies, University of Ottawa, voiced a similar view, arguing that the question of focus is "a red herring," which contributes to the notion that having an effective development program is just a matter of determining the right mix of priority countries and sectors. He went so far as to characterize the announcements related to such focus areas as being mainly an exercise in government "branding."²⁰

There also appears to be confusion regarding the criteria used to include or exclude certain countries from the list. As noted, the 25 countries of focus were chosen in 2014 according to an assessment of their needs, their capacity to benefit from development assistance, and their alignment with Canadian policy priorities. When asked how those different factors are reconciled, the department indicated that they are all taken into consideration on an equal basis.²¹

It is not clear how that can be the case. As one example, Christina Polzot, Manager, Program Development, Quality and Knowledge, Oxfam Canada, noted that Canada ended its bilateral development program with Zambia in 2013 (it had been one of the Canadian government's partner countries in 2005), despite the fact that the country still has a high prevalence of poverty and inequality.²² An example of a country that has never been on Canada's lists of focus countries – Chad – was highlighted by Carleen McGuinty, Deputy Director, International Policy and Programs, UNICEF Canada. Chad is "almost at the very bottom" of the United Nations *Human Development Index*. It is also surrounded by fragile states and has the "third-highest" mortality rate for children under the age of five.²³ Conversely, some countries that are on the list have been characterized by serious governance challenges, including pervasive corruption; two of the countries of focus even

19 FAAE, [Evidence](#), 1st Session, 42nd Parliament, 17 May 2016.

20 Ibid.

21 FAAE, [Evidence](#), 1st Session, 42nd Parliament, 12 May 2016.

22 FAAE, [Evidence](#), 1st Session, 42nd Parliament, 19 May 2016.

23 FAAE, [Evidence](#), 1st Session, 42nd Parliament, 17 May 2016.

experienced government coups in recent years. Those challenges have presumably undermined their ability to benefit from, and effectively use, development assistance. (Economic, governance and demographic indicators for the current list of countries of focus are contained in Appendix E.)

For Professor Brown, the criteria attached to the countries of focus are sufficiently broad as to “allow you to include any country that you wanted to include.” From his perspective, “They provide absolutely no guidance.”²⁴ Aniket Bhushan, Principal Investigator, Canadian International Development Platform, and Adjunct Research Professor, Norman Paterson School of International Affairs, Carleton University, maintains that, in addition to being vague, there has been “little transparency” in regards to how the government’s criteria – need; capacity; and alignment with Canadian foreign policy – have been “applied to come up with focus and partner lists.”²⁵ As a result, the link cannot be verified.²⁶ The definitions attached to terms – such as “needs” – also require clarification. There is, for example, a substantive difference between measures of national gross domestic product per capita, which can mask inequalities, and the number of people in need within a country.²⁷

Given the points that were raised by witnesses, the Committee believes that much more rigorous analysis of the effectiveness of the country of focus approach is needed. If it is to continue, the rationale for that approach should be clear, evidence-based and transparent, as should the application of any selection criteria that are used to determine the countries and regions that will receive Canadian development assistance.

RECOMMENDATION 1

The Government of Canada’s new international assistance policy should reflect a transparent evaluation of the countries of focus approach and whether it has enhanced the impact and effectiveness of Canada’s development assistance. In particular, the evaluation should address the selection criteria that have been used to determine Canada’s countries of focus and development partners, clarify how those criteria resulted in the existing lists of countries, and indicate the conditions that would trigger the addition or withdrawal of countries from those lists in the future. The evaluation should also assess the results of concentrating 90% of all bilateral resources in 25 countries.

The Committee also heard that, even though Canada is concentrating its bilateral development assistance, it is not a top donor in very many recipient countries. Eric Werker, Associate Professor, Beedie School of Business, Simon Fraser University, provided information to the Committee indicating that, while the 25 countries of focus have

24 Ibid.

25 Brief submitted to the Committee by Aniket Bhushan (Canadian International Development Platform), 3 June 2016, p. 4

26 Ibid., p. 6.

27 Brief submitted to the Committee by Colleges and Institutes Canada (CICan), pp. 1-2.

“probably made things easier administratively,” Canada has “nonetheless failed to achieve the critical mass necessary to be a game-changer in most of those countries.”²⁸ In making that point, he notes that, for 2013–2014, only in Haiti and Mali did Canada’s aid contribution represent at least a half percent of the relevant country’s gross national income and at least five percent of the total aid the country received from all donors. As he puts it, “Canada may have focus from its own perspective but it does not have concentration from most recipient countries’ perspective.”²⁹ Those findings are supported by the research prepared for the Committee by another witness, Mr. Bhushan. He has determined that, “Canada is among the top 10 donors in 15 out of the 25 focus countries, and 2 out of 12 partner countries.” Framed the other way, “Canada is *not* among the top 10 donors in 20 out its 37 focus and partner countries” (see Appendices F and G).³⁰

Beyond the issues of financial concentration and sufficiency, it also does not appear that the logic behind the country of focus model has been reflected in the organizational structure of Global Affairs Canada or in its human resource practices. Professor Munro argued that, if taken seriously, the country of focus approach would imply the “systematic cultivation” of country-based and regional knowledge within the department. Such expertise derives from many factors, including the duration of field deployments, as well as the acquisition of fluency in local languages. However, Professor Munro said that, when the rotation patterns applied to Global Affairs Canada personnel over the last 20 years are examined, it becomes apparent that “the deep cultivation of country-based expertise is the exception and not the rule.”³¹

RECOMMENDATION 2

The Government of Canada should evaluate the personnel recruitment and rotation policies used by Global Affairs Canada so as to ensure that there is substantive regional and sector-based development expertise within the department.

THERE ARE NO MAGICAL SOLUTIONS

The Committee’s study did not point to a definitive conclusion with respect to the way in which Canada’s bilateral cooperation program should be organized and its bilateral development assistance prioritized. Many suggestions were brought to the Committee’s attention that, if implemented, could either introduce relatively modest changes to the countries of focus approach, or lead to a significant overhaul of Canada’s bilateral cooperation program.

In many ways, this study forced the Committee to engage in a difficult conceptual exercise that required it to balance what were at times contradictory ideas. The study felt

28 Brief submitted to the Committee by Eric Werker on 2 June 2016, p. 2.

29 Ibid.

30 Brief submitted to the Committee by Aniket Bhushan, 3 June 2016, p. 3.

31 FAAE, [Evidence](#), 1st Session, 42nd Parliament, 17 May 2016.

akin to an intellectual Rubik's Cube. Each argument, when pushed forward, seemed to run into a possible counter argument, without solving the overall puzzle.

There appears to be general agreement that Canada should focus on helping the poorest and most vulnerable people, including those who have been “left behind” by development progress, in keeping with the central objectives of the United Nations 2030 Agenda for Sustainable Development.³² That said, the poor are not confined to one type of state. Several witnesses highlighted estimates indicating that more than 70% of the world's poor currently live in middle-income countries.³³ While such a country may be experiencing impressive economic growth in the aggregate, that growth does not automatically create broad-based prosperity or resolve various forms of discrimination and exclusion that may exist within a society. Peru provides one concrete example. Marlen Mondaca, Director of International Programs, Save the Children Canada, told the Committee that, within Peru, “indigenous Quechua children have life chances equivalent to the average for girls and boys in Gambia, one of the poorest countries in the world.”³⁴

At the same time, acute needs persist in the least developed countries,³⁵ where the reliance on international assistance remains the highest.³⁶ Varying income levels can be present in fragile states, which are home to some of the world's most vulnerable people.³⁷ While these technical terms are often used to describe and categorize states, Ms. Mondaca cautioned the Committee that fragility must be understood as a “dynamic” situation. Stable states can become fragile, and there can be fragile communities within stable states.³⁸ Moreover, a country's technical transition from one income category to another does not tell the full story. As UNICEF Canada pointed out, even if a country

32 United Nations General Assembly, [Transforming our world: the 2030 Agenda for Sustainable Development](#), resolution adopted on 25 September 2015, A/RES/70/1, 21 October 2015.

33 The World Bank defines middle-income countries as having a per capita gross national income (GNI) of between US\$1,046 and US\$12,735. According to the Bank, five of the world's seven billion people live in middle-income countries, including 73% of the world's poor people. While there are lower and upper middle-income countries within this category, the general term “middle-income” applies to a diverse array of countries from the perspective of global economic weight and population size, including Bangladesh, China, Colombia, Egypt, India, Indonesia, Kenya, Iran, Mexico, Peru, Romania, Turkey, and Vietnam. See: The World Bank, [“Country and Lending Groups,” Data](#); and, The World Bank, [“Overview,” Middle Income Countries](#).

34 FAAE, [Evidence](#), 1st Session, 42nd Parliament, 7 June 2016.

35 The list of least developed countries (LDCs), which is reviewed every three years, is maintained by the United Nations. There are currently 48 LDCs. Most are in Africa. LDC status is determined by three factors: a country's GNI per capita; its nutrition, health and education indicators; and, its “economic vulnerability”. See: United Nations Conference on Trade and Development, [“UN recognition of Least Developed Countries \(LDC\).”](#) Departmental officials indicated that 13 of Canada's current 25 countries of focus are LDCs.

36 According to a report by the think tank Development Initiatives, ODA was the “largest international resource flow to 39 developing countries” as of 2013. That same year, two-thirds of foreign direct investment “went to just 11 developing countries.” See: Development Initiatives, [Investments to End Poverty 2015](#), Bristol, United Kingdom, 2015, pp. 19-20.

37 There is no internationally agreed definition of fragile states. For two commonly cited indices, see: The World Bank, [Harmonized List of Fragile Situations FY16](#); and, Fund for Peace, [Fragile States Index 2015](#).

38 FAAE, [Evidence](#), 1st Session, 42nd Parliament, 7 June 2016.

moves from “low-income” to “middle-income” status, “government capacity to deliver effective, quality social services may lag.”³⁹

Taken to its full extent, the argument that Canada’s assistance should be targeted to reach the poorest and most vulnerable people could result in a wide dispersion of programming. Nevertheless, the view held by a number of the Committee’s witnesses is that some degree and method of focus will always be needed, not only for the purposes of administrative efficiency, but also because Canada’s aid resources are finite. Canada cannot be everywhere on all issues, or help all poverty-stricken areas. Even with the historic reduction in global poverty that has been witnessed since 1990, there were still 896 million people living on less than US\$1.90 a day in 2012; more than 2.1 billion people on less than US\$3.10 a day.⁴⁰

Testimony also emphasized that long-term and consistent engagement produces better development outcomes. So does flexibility, given how quickly circumstances within countries and regions can change and crises emerge, whether in the form of a drought, an armed conflict or a dramatic fall in commodity prices. Designing a development cooperation program to be acutely responsive to shifting vulnerabilities, however, would presumably require fairly regular assessments of circumstances on the ground, and corresponding changes to the focus of projects and the allocation of funding. Yet, witnesses also expressed their frustration over the frequent changes that have been made to Canada’s priority countries and themes. In general, no one wants volatility in development programming. Agencies working in the field must benefit from predictable funding streams, which enable them to plan strategically and to build relationships with local partners. Any withdrawal of funding is supposed to be done in a phased and responsible manner.

Even if the overarching focus is on combating poverty and exclusion, identifying the existence of those problems somewhere does not, on its own, guarantee effective programming. Principles of aid effectiveness emphasize local ownership of the development process, and the alignment of international projects with locally determined strategies.⁴¹ However, the presence of one variable – extreme needs – does not guarantee the presence of the other – functioning institutions, organizations and systems that have the capacity to use aid effectively, and the plans in place to do so.

It was difficult for the Committee to determine how all of the above points can be reconciled with the existing country of focus model. Furthermore, no clear consensus materialized on an optimal alternative, particularly when considered from the practical perspective of government policy-making.

Each of the positions presented and submitted to the Committee were unique, but can be broadly grouped and summarized under the following five options:

39 Brief submitted to the Committee by UNICEF Canada, 27 May 2016, p. 4.

40 The World Bank, “[Overview](#),” *Poverty*.

41 See: [The Paris Declaration on Aid Effectiveness and the Accra Agenda for Action](#); and, [Busan Partnership for Effective Development Co-operation](#).

- The current list of focus countries, which includes a mix of low and middle-income countries and fragile states, should be maintained so that there will be continuity in relationships and programming; within those countries, programming should be focused on helping the most vulnerable populations.
- The country of focus approach can be maintained, but the bilateral assistance framework (including the 90% concentration of all bilateral resources in focus countries) should be modified to allow greater flexibility for implementing partners to deliver programs that can address regional challenges and emergent crises, which may be occurring within and beyond the countries of focus (e.g., the displacement crisis that is currently afflicting Jordan, which is a country of focus, and Lebanon, which is not; and, the citizen security challenges present in Honduras, which is a country of focus, and El Salvador and Guatemala, which are not).
- The focus should be narrowed further still so as to concentrate bilateral resources in a few countries, which could include those that are important to regional and global stability, and in which Canada would aim to have a significant presence and be among the top few donors.
- The countries of focus approach should be replaced with a “tiered” or “differentiated” approach that would tailor programming and financial mechanisms to address the particular needs and circumstances of countries that are in different stages of development and experiencing varying levels of stability (e.g., least developed countries; countries transitioning to middle-income status; middle-income countries; and fragile states).
- The country-based approach should be replaced with one that would channel assistance according to key themes (e.g., promoting the rights of women and girls; supporting sustainable agriculture), and/or key development challenges (e.g., access to reproductive health care and services), wherever such needs and challenges exist and are not being met, and whenever viable programming opportunities have been identified and can be matched with Canadian expertise and resources.

Building an effective bilateral assistance program is clearly not as simple as choosing a total number of recipient countries. Most witnesses also avoided singling out specific countries for inclusion or exclusion from the list of countries of focus, if that model is continued.

There are, as several witnesses stressed, no magical solutions to development challenges. Those challenges are connected to such fundamental issues as the ways in which nations organize and regulate their economies, deliver services to their citizens and build institutions. From an international perspective, development assistance is often about determining the interventions that are needed when such processes break down or when there are insufficient national resources and technical capacity to carry them out.

The Committee also shares the view that, regardless of the number and mix of recipient countries, the geographic concentration of resources is not, on its own, the answer to those complex challenges. The effectiveness of Canada's bilateral development program will ultimately depend on the way in which it is organized in Ottawa and delivered in the field, and the degree to which that program supports and is supported by the range of other development activities with which Canada is involved.

BROADER OBSERVATIONS ABOUT CANADA'S APPROACH TO GLOBAL DEVELOPMENT

A. Development is not what it once was

The Committee set out to study Canada's countries of focus for bilateral development assistance and ended up uncovering a far greater range of issues. The Committee's study confirmed that a review of Canada's international development policy was needed. In consideration of the overall landscape of international development, three points emerged from the Committee's study that have furthered its understanding of the larger context within which that policy review is taking place.

The first is that the entire endeavour of what was traditionally known as "international development" is changing. The outmoded characterization of development as charity provided by rich nations to poorer ones no longer applies. As John McArthur, Senior Fellow, Global Economy and Development Program, Brookings Institution, emphasized in his presentation, the study of global development is now essentially about understanding the forces driving the entire global economy. Rather than being a specialized area of policy, development is now, in his words, concerned with "issues of centre stage in global society." Understanding why that is the case begins with the recognition that "the distinction between developed and developing countries is evaporating over time, and in some cases very quickly." In fact, Mr. McArthur does not even like to use the term "international development" anymore, particularly given that few countries easily slide into the simple dichotomy of being either a "developed" or a "developing" nation.⁴²

The development landscape has become much more of a spectrum, with economic, political and social challenges being more or less pronounced in each country. Some states may be contributing to global economic expansion, while being unable to resolve long-standing political grievances within their societies or to eradicate corruption from their institutions. All countries have pockets of affluence and exclusion of varying depths and scale. They must also grapple with climate change, organized crime, public health emergencies, large-scale displacement and financial instability, all challenges that are, by their nature, transnational.

The second point is that bilateral development assistance is only one aspect of development activity, and a fairly limited one in terms of the total resources available for global development. The drivers of economic activity and the main sources of financial

42 FAAE, [Evidence](#), 1st Session, 42nd Parliament, 19 May 2016.

resources include international trade and investment, private sector job and business creation, and domestic taxation and regulation. Moreover, in the context of Canada's international assistance, a larger stream of development resources is delivered through multilateral channels. The Committee was reminded that bilateral development assistance comprises around one-third of the total international assistance delivered by Global Affairs Canada. Yet, geographic concentration only applies to the department's bilateral program. It was not clear to the Committee whether that key difference is contributing to, or detracting from, a coherent development policy and the maximization of the possible results from departmental spending.

The third point is the recognition that Global Affairs Canada is not the only development actor within Canada. Development assistance is provided by other federal departments and agencies: Finance Canada, Immigration, Refugees and Citizenship Canada, the Royal Canadian Mounted Police, and the Public Health Agency of Canada, among them. They are, respectively, responsible for Canada's relationship with the international financial institutions (e.g., the World Bank), Canada's settlement of refugees, its international policing activities and its management of health epidemics.⁴³ Shannon Kindornay, Adjunct Research Professor, Norman Paterson School of International Affairs, Carleton University, and an independent consultant, informed the Committee that the Netherlands decided to adopt a "differentiated" approach to its development assistance, under which it categorizes countries according to whether external assistance is the "main form of engagement"; whether engagement involves aid, trade and investment relationships; or, whether trade and investment are the primary drivers of the relationship. While not advocating that Canada should adopt those exact categories, Ms. Kindornay noted that the "Netherlands approach was the result of a major review [that] country underwent to look at how they engage with the world in every domain: agriculture, environment, migration, aid, and so on."⁴⁴

While the international assistance review is being conducted by Global Affairs Canada, an effective development policy must, in the Committee's view, be crafted in a way that reflects the multi-faceted nature of development activities in the 21st century. That begins with taking all of the roles mentioned here into account. As Eva Busza, Vice-President of Research and Programs, Asia Pacific Foundation of Canada, said, "Our development policy needs to be shaped based on a whole-of-government approach, and that starts with a whole-of-government mapping."⁴⁵

That mapping should also recognize the larger ecosystem of development actors within Canada, including the private sector and other levels of government. Mr. McArthur pointed out, for example, that the provincial governments are responsible for the regulation of securities, which, in turn, govern rules that apply to the large extractive industry that is based in Canada and active in developing countries around the world. Provincial

43 For further information, see: Global Affairs Canada, [Report to Parliament on the Government of Canada's Official Development Assistance, 2015–2016](#), 2016.

44 FAAE, [Evidence](#), 1st Session, 42nd Parliament, 7 June 2016.

45 FAAE, [Evidence](#), 1st Session, 42nd Parliament, 19 May 2016.

governments are also responsible for Canada's universities.⁴⁶ It was clear to the Committee that, if global sustainable development is to become a Canadian societal effort, as envisioned by the United Nations 2030 Agenda, rather than the work of one government department, all of these roles and potential contributions need to be considered.

RECOMMENDATION 3

The Government of Canada should ensure that its new international assistance policy establishes strategic objectives to guide Canadian development cooperation for at least the next 15 years, consistent with the United Nations 2030 Agenda for Sustainable Development. That policy should take into account:

- **all sources of development finance;**
- **all forms of development cooperation; and**
- **the development roles played by all actors in Canadian society.**

B. The Effective Management and Delivery of Development Assistance is as Important as the Determination of its Recipients

While the Committee did not study the mechanics of aid delivery, the points that were brought to its attention suggested that it is an issue that merits far deeper scrutiny. The brief discussion here should therefore be seen as only the beginning of the Committee's consideration of the machinery of government attached to Canada's international development assistance.

One issue that the Committee intends to examine in greater depth is the approval process attached to Canada's development assistance, which some testimony suggested is cumbersome. Professor Munro argued plainly that we need "a fundamental rethink of the tsunami of bureaucratic rules, oversight, and risk- and results-based management procedures that have engulfed our good public servants in recent years under governments of all political stripes in the name of accountability."⁴⁷ A similar point was made by Hunter McGill of the McLeod Group, who described the general impression that exists of Canada's aid administration as one of "paralysis by analysis".⁴⁸ Centralization is another concern. It was indicated to the Committee that financial decision-making authority is concentrated in Ottawa, rather than with Canada's development experts who are deployed in the field.

46 Ibid.

47 FAAE, [Evidence](#), 1st Session, 42nd Parliament, 17 May 2016.

48 FAAE, [Evidence](#), 1st Session, 42nd Parliament, 31 May 2016.

Another issue that has become apparent to the Committee is the need for Global Affairs Canada to improve its manner of engagement with civil society partners. It does not appear that many – if any – Canadian organizations or academic experts were consulted in the design of the country of focus model, the selection of the original list of countries in 2009, or the adjustments made to that list in 2014. It is also not clear if the recipients themselves were consulted.

In recent years, Canadian non-governmental organizations have also had to adjust to a funding model that sees the department issue periodic calls for proposals tied to its policy objectives, which does not include long-term institutional support for the organizations themselves. In terms of the way in which the relationship should be improved, Mr. McGill stated that instead of treating “Canadian non-governmental organizations as contractors or service providers, Global Affairs Canada should treat them as proper partners in the relationship with developing countries.”⁴⁹ Evelyne Guindon, Chief Executive Officer, CUSO International, called for an engagement model that “recognizes the transaction cost and benefit of partnerships.” Rather than having to adhere to strict programming parameters, she wants to see more flexible mechanisms that “promote piloting, testing, and scaling up of innovative cross-sectoral initiatives,” which would give organizations like her own “the space to collaborate, think, and innovate inside project life cycles.”⁵⁰

In general, it was emphasized time and again to the Committee that development is a field that thrives on experimentation and requires acceptance of occasional setbacks. Uncertainty is, as Professor Brown maintains, an inherent aspect of the work that development entails. Rather than running away from that reality, the goal, in his mind, “should be to learn from those failures, to admit to them, to study them, and to speak frankly about them.”⁵¹

C. Canada should be a Centre of Development Policy Excellence

As was discussed at the beginning of this report, none of the witnesses was aware of any studies that have established an evidence-based connection between the geographic concentration of development assistance and the effectiveness of the assistance that is provided. Given that such concentration – in the form of the countries of focus – has been pursued by the Canadian government since 2009, and similar approaches embraced prior to that time, the Committee was struck by the seeming absence of detailed findings underpinning those decisions.

While high-level decisions about development priorities are ultimately political, part of the explanation for this evidence gap may also be found in the relatively limited resources that seem to be available within Canada for those seeking to analyze development policy. François Audet, Professor, School of Management, Université du Québec à Montréal, suggested that the Committee’s questions were indicative “of the fact

49 Ibid.

50 FAAE, [Evidence](#), 1st Session, 42nd Parliament, 2 June 2016.

51 FAAE, [Evidence](#), 1st Session, 42nd Parliament, 17 May 2016.

that we still have too little information and evidence on the impact of our official development assistance.” The field of development policy in Canada is, according to Professor Audet, dominated by non-governmental organizations, which must engage in consultations with the government and receive funding from it to implement projects. That situation does not, in his view, “favour openness with regard to lessons learned.”⁵² Many of those organizations and others in Canada’s development community rely on analysis that is generated by their international networks and prominent think tanks based in Europe and the United States.

In the future, the Committee wants to be assured that, when it has questions about the organization and prioritization of Canadian development assistance, those inquiries will be met with clear, detailed and forthright answers. The Committee is also aware that such qualitative analysis will only be available if a serious investment is made in Canada’s development policy capacity.

RECOMMENDATION 4

The Government of Canada should ensure that there is a branch within Global Affairs Canada that is dedicated solely to development policy research, analysis and evaluation.

One of the areas in which Canada could decide to consolidate its leadership role in relation to policy analysis is governance. Canada has extensive and long-standing national expertise in good governance practices, something that was emphasized in particular by Philip Oxhorn, Professor of Political Science and Founding Director of the Institute for the Study of International Development, McGill University. That includes Canada’s experience with the management of natural resources, including in the extractive sector, as well as its history of balancing “beneficial social policies” with “relatively stable fiscal and monetary policies.”⁵³ For a more specific example, one of the thematic areas prioritized by the International Development Research Centre (IDRC), a Canadian crown corporation that supports applied research in developing countries, is “inclusive economies.”⁵⁴ Other areas of governance expertise can be found in the justice sector, including Canada’s court and penitentiary systems and its police services.

For Robert Greenhill, Executive Chairman, Global Canada, “peace, order, and good government are Canada's strongest competitive advantage and the world's greatest unmet need.” There is, however, no arm of the United Nations that is focused specifically on good governance, like the World Health Organization is mandated to advance global health. In Mr. Greenhill’s view, Canada – and Ottawa – should become a global centre of good governance practices. For him, “This is something we can own.”⁵⁵

52 Ibid.

53 FAAE, [Evidence](#), 1st Session, 42nd Parliament, 19 May 2016.

54 International Development Research Centre, [Investing in Solutions: Strategic Plan 2015–2020](#).

55 FAAE, [Evidence](#), 1st Session, 42nd Parliament, 2 June 2016.

The Committee was also told that there is further room for Canadian leadership in development innovation. Ms. Busza argued that “we need to bring our science and technology policy and our trade policy closer to our development policy and be a leader in developing and applying ICT and technology to aid delivery and monitoring.”⁵⁶ The possible applications are enormous. Examples include the use of data analytics to help improve the coordination of disaster response, and the use of mobile phone applications for health diagnostics. James Haga, Vice-President, Engineers Without Borders Canada, believes that another relatively untapped area of innovation could be found in the exploration of incentives to facilitate “impact investment,” particularly investment in the early stages of “social enterprise development” in poorer countries.⁵⁷ Mr. McArthur noted the “large and growing body of evidence” surrounding the poverty reduction potential of “unconditional cash transfers linked to mobile money.”⁵⁸ Canada could, as Ms. Busza suggested, signal its “commitment to this new role by hosting an international innovation and development summit, and partnering with key donors, foundations, and the private sector.”⁵⁹

D. Canada needs a Long-term and Ambitious Strategy for International Development

Many witnesses who appeared before the Committee emphasized that development effectiveness requires a long-term mindset and perseverance. As was conveyed by Ms. Guindon, her organization’s “most successful partnerships with local stakeholders took years to develop and to yield results.”⁶⁰ Moreover, CARE Canada emphasized that long-term strategies not only “provide the time necessary to build trust and obtain buy-in from key stakeholders, and ensure local ownership and transfer technical know-how, they also enable development agencies and partners to develop more structured exit strategies.”⁶¹

The need for sustained commitment was emphasized in relation to Canada’s bilateral cooperation programs, whatever their total number. Santiago Alba-Corral, Senior Director, International Development, CARE Canada, urged the adoption of 10- to 15-year strategies for each of Canada’s countries of focus, if that approach is retained.⁶² Mr. McGill even suggested that “what we need is a generation-long attention span for our countries of focus.”⁶³ The Committee agrees.

56 FAAE, [Evidence](#), 1st Session, 42nd Parliament, 19 May 2016.

57 FAAE, [Evidence](#), 1st Session, 42nd Parliament, 31 May 2016.

58 John W. McArthur, “Aligning Canadian Engagement with the Global Sustainable Development Challenge,” note to accompany the 19 May 2016 oral presentation to the House of Commons Standing Committee on Foreign Affairs and International Development, p. 6.

59 FAAE, [Evidence](#), 1st Session, 42nd Parliament, 19 May 2016.

60 FAAE, [Evidence](#), 1st Session, 42nd Parliament, 2 June 2016.

61 Brief submitted to the Committee by CARE Canada, 27 May 2016, p. 1.

62 FAAE, [Evidence](#), 1st Session, 42nd Parliament, 17 May 2016.

63 FAAE, [Evidence](#), 1st Session, 42nd Parliament, 31 May 2016.

RECOMMENDATION 5

The Government of Canada should, within the next year, publish a long-term engagement strategy for each of its bilateral and regional cooperation programs, and then ensure that those country and regional strategies are updated and evaluated at regular intervals.

RECOMMENDATION 6

As part of its long-term engagement with development partners, the Government of Canada should favour long-term and predictable funding arrangements, prioritizing projects that involve local actors – including local civil society organizations – and that respond to needs identified by them, with a particular emphasis on initiatives that are aimed at empowering women and girls.

These points about long-term engagement are also valid in relation to the comments made in the previous section on Canada's broader ecosystem of development actors. As Mr. McArthur said, "One doesn't change overnight the funding incentives for our universities. One doesn't build overnight our corporate sector's global engagement where it doesn't exist adequately." That work begins by engaging with those partners and sectors, in a way that sets out to expand on "everything we're used to talking about."⁶⁴ Long time horizons are equally essential in the context of applied research. Jean Lebel, President, IDRC, informed the Committee that the Ebola vaccine developed by a Canadian researcher, Gary Kobinger, at the Public Health Agency of Canada in Winnipeg, was initiated "about 15 years ago." As Mr. Lebel said, success in deploying that vaccine in 2015 was possible because an investment had been made many years previously and was "followed through on."⁶⁵

All of that said, policies, long-term or otherwise, are unlikely to be realized without the commitment of resources that match their level of ambition. While the Committee's study was about Canada's countries of focus and its priority themes, testimony suggested that the effectiveness of those approaches should not be viewed in isolation from Canada's overall budget for development assistance. The volume of that budget is the main factor that will determine the number of countries in which Canada can be a top donor, as well as the range of development sectors in which it can make a significant difference on the ground.

Canada currently ranks 14th out of 28 countries that are members of the OECD-DAC with respect to the provision of ODA as a percentage of gross national income (GNI). Canada's total ODA budget was US\$4.29 billion in 2015, resulting in an ODA/GNI ratio of 0.28%. That year, six countries met or exceeded the United Nations target of allocating

64 FAAE, [Evidence](#), 1st Session, 42nd Parliament, 19 May 2016.

65 FAAE, [Evidence](#), 1st Session, 42nd Parliament, 12 May 2016.

0.7% of their GNI as ODA: the United Kingdom (0.71%); the Netherlands (0.76%); Denmark (0.85%); Luxembourg (0.93%); Norway (1.05%); and Sweden (1.40%).⁶⁶

Mr. Greenhill stressed that Canada's aid budget is not only below average when compared to certain other members of the G7, including the United Kingdom, it is also comparatively less generous than the budgets of other like-minded nations, such as the Scandinavian countries. While Canada allocated 0.28% of ODA/GNI in 2015, Mr. Greenhill indicated that the average allocated by G7 and other mid-sized, open economies that year was 0.54% (see Appendix H).⁶⁷ In Mr. Greenhill's words, "our minds are in the same place, but our pocketbooks are not."⁶⁸ He also informed the Committee that Canada's current aid budget is comparatively low when viewed from a historical perspective (see Appendix I). The current level of aid spending, if continued, would be, according to Mr. Greenhill, "the lowest level of commitment of any Canadian government in the last 50 years."⁶⁹

When considered from a geostrategic perspective, it is unclear why that is the case. Mr. McArthur commented that he was unaware of any "compelling rationale" that "has been put forward for why we invest at the levels we do today."⁷⁰ When considering what can seem like abstract budgetary figures, it is important to understand what they mean in human terms. Mr. Greenhill reminded the Committee that "Each one-hundredth [of a percent] is about \$200 million – more importantly, it's about 25,000 lives. It's about 50,000 refugee families, 2 million girls going to school, and 1.5 million women having access to family planning."⁷¹

The United Kingdom, the only G7 nation to realize the 0.7% target, may provide an example of the multi-year strategy that the Government of Canada could choose to set in motion. As Mr. Greenhill explained, the United Kingdom expanded its aid budget between 1997 and 2013 "across three administrations – Labour, a Social Democratic-Conservative coalition, and Conservatives." For him, the material question is "whether we have the collective ambition to be, 15 years from now, where the U.K. is today, which is in a position as a true leader in international development."⁷²

66 OECD, "[Development aid rises again in 2015, spending on refugees doubles](#)," 13 April 2016. Relatively few donor countries currently meet the other United Nations target of allocating at least 0.15% of GNI as net ODA to LDCs. In 2014, eight members of the OECD-DAC reached that target: Belgium, Denmark, Finland, Ireland, Luxembourg, Norway, Sweden and the United Kingdom. Canada provided 0.08% of ODA/GNI to LDCs that year; the DAC average was 0.09%. Source: OECD, [Development Co-operation Report 2016: The Sustainable Development Goals as Business Opportunities](#), Paris, 2016, p. 155 and 176.

67 Brief submitted to the Committee by Robert Greenhill, 2 June 2016. According to the OECD-DAC, the average "country effort" of its members in 2015 was 0.41% ODA/GNI.

68 FAAE, [Evidence](#), 1st Session, 42nd Parliament, 2 June 2016.

69 Ibid.

70 FAAE, [Evidence](#), 1st Session, 42nd Parliament, 19 May 2016.

71 FAAE, [Evidence](#), 1st Session, 42nd Parliament, 2 June 2016.

72 Ibid.

Getting to that point within a decade may not be quite as daunting as it seems. The brief Mr. McArthur submitted to the Committee indicates that Canada could achieve the 0.7% target within 10 years if it sets aside “2 cents out of every dollar of new income for ODA,” assuming the Canadian economy expands at the rate of approximately 2.5% per year over the same period (\$13 billion out of the possible \$675 billion in new national income by 2027).⁷³ While the total amount of public resources that such a plan would entail is considerable, the Committee was told there is a simple yet persuasive rationale for establishing a high level of ambition. As Mr. Haga underlined, being a global leader in development is really about helping to “shape the world that our kids and our grandkids will inherit.”⁷⁴

The 0.7% target was established by a 1970 resolution of the United Nations General Assembly. That resolution called for the target’s achievement by the middle of the decade.⁷⁵ The same target has been re-endorsed by subsequent international meetings, including the 2002 United Nations International Conference on Financing for Development.⁷⁶ While Canada has never met the 0.7% target (see Appendix J), the Committee believes that it is time to aspire to a plan that would see its realization. Doing so now would ensure that Canada is positioned to be an active and influential leader in global development for generations to come. The Committee is also mindful of fiscal realities and the substantial financial commitment that would be required to move Canada from its current ratio of 0.28% ODA/GNI to the 0.70% aspiration. There are also important administrative issues to consider with respect to the effective management of such a funding expansion within government and the identification of new projects and implementing partners. The Committee therefore favours a realistic and step-by-step approach, and one that is mindful of the objectives and timelines that have been established by the United Nations 2030 Agenda.

RECOMMENDATION 7

The Government of Canada should aspire to a plan that would see Canada spending 0.70% of its gross national income (GNI) on official development assistance (ODA) by 2030. The first stage of that plan should see the government spending 0.35% of GNI on ODA in 2020.

73 John W. McArthur, “Aligning Canadian Engagement with the Global Sustainable Development Challenge,” note to accompany the 19 May 2016 oral presentation to the House of Commons Standing Committee on Foreign Affairs and International Development, p. 10.

74 FAAE, [Evidence](#), 1st Session, 42nd Parliament, 31 May 2016.

75 OECD, [“The 0.7% ODA/GNI target – a history.”](#)

76 More recently, goal 17 of the [United Nations 2030 Agenda](#), which was adopted unanimously in September 2015, focused on the means of implementing that agenda. In addition to targeting strengthened domestic resource mobilization, the goal includes a target under which developed countries are “to implement fully their official development assistance commitments, including the commitment by many developed countries to achieve the target of 0.7 per cent of gross national income for official development assistance (ODA/GNI) to developing countries and 0.15 to 0.20 per cent of ODA/GNI to least developed countries...”

CONCLUSION

The Committee is not prepared to recommend that the existing country of focus approach should be replaced entirely with another model of development cooperation. That said, the Committee is also not convinced that allocating 90% of available bilateral resources to the current list of 25 countries is maximizing the potential results of Canada's international cooperation program. As is reflected in this report's first recommendation, the Committee wants to see evidence indicating clearly that the country of focus approach enhances the impact of Canada's assistance, with results exceeding those that would be likely if Canada were to adopt a different strategy. Regardless of the total number and list of recipients for Canada's bilateral assistance, the Committee also wants to see more transparency. The process used to determine priority partners should be outlined in detail by the department in a way that facilitates the monitoring of whatever criteria are used against available data.

An evaluation of the effectiveness of the countries of focus approach, as called for in this report, needs to weigh closely the alternatives that were brought to the Committee's attention. Those include more flexible approaches that would allow for a greater share of bilateral resources to be allocated to countries within a region experiencing common problems, and approaches that would focus on development themes, or, put more concisely, problem-solving. Further reflection on the appropriate range of countries for Canada's bilateral development assistance, including the possibility of focusing Canada's resources to an even greater degree on a smaller number of strategic relationships, is also needed.

It was clear to the Committee that there are no simple answers regarding how Canada should target its development resources. Even with a thematic approach, there are many issues that merit Canada's attention, including ongoing priorities like maternal and child health. There are also numerous areas of Canadian expertise on which the government can draw.

The simplest criteria by which priority sectors could be determined would be based on consistency: completing work that has already been started and consolidating the development gains that have been made. In reflecting on the different ideas that were brought to the Committee's attention, another method could see priority sectors chosen according to a four-part process:

- identify areas of Canadian development expertise;
- assess the greatest unmet development needs in the world where international assistance from public sources can make a difference and help to advance global stability and prosperity;
- determine which of the needs identified using the second criterion link to the expertise identified in the first; and,

- consider which of those needs would be addressed most effectively through bilateral cooperation (i.e., with projects administered through Global Affairs Canada), and which are better tackled through multilateral initiatives.

It could be that only a few sectors would be left standing at the end of such an exercise.

In the larger picture, and regardless of decisions about countries and sectors of focus, the Committee shares the view that a strategic commitment to international development is needed. The Committee is determined to play a constructive role in trying to forge the political and societal consensus that must underpin such a commitment, as called for by some witnesses. The Committee sees its work in the field, reviewing Canadian-funded development projects, meeting with the recipients of that assistance and the communities that may be affected by it, and then communicating the results of that work to Canadians, as a core part of that role. Building on its recent mission to Guatemala and Colombia, the Committee intends to be active in the evaluation of Canada's international cooperation abroad.

The Committee recognizes that the overall trajectory of global development will have an impact on Canada's national interests. In a globalized world, the consequences that result from the inability to contain the outbreak of disease in a remote place, to prevent an armed conflict and the wave of mass displacement that it generates, or to mitigate the effects of a natural disaster, all reverberate around the world, including in Canada. Canada must do everything in its power to prevent the nightmare future scenario – as sketched by Mr. Greenhill – that could see a breakdown in international cooperation, the collapse of fragile states, the intensification of environmental degradation, and the proliferation of conflict.

Leadership in global development must, ultimately, be a collective ambition. It can only be realized if all stakeholders – from across the Canadian development community – are on board, and for the long-term. That includes government departments and agencies, Parliament, researchers and academics, the private sector, and non-governmental organizations. Fulfilling such an ambitious role will also require substantial financial resources. The discussion paper Global Affairs Canada prepared for the international assistance review states that reaching the 0.7% ODA/GNI target, which “would require an estimated tripling of Canada's annual international assistance budget by 2020,” is “an unrealistic near-term objective in the current fiscal context.”⁷⁷ As the Committee's recommendation on Canada's aid budget demonstrates, the Committee does not believe that such a declaration should have been the basis on which the review began. The review should be concerned with establishing the long-term strategic objectives that will guide Canada's development policy, and then matching those objectives with the resources and tools required for their realization.

In many ways, a high level of ambition has already been set by the Canadian government's commitment to support the implementation of the United Nations 2030 Agenda. Among its many goals, that agenda aims to eradicate extreme poverty, reduce

77 Global Affairs Canada, [International Assistance Review: Discussion Paper](#), 2016, p. 23.

inequality, achieve gender equality, ensure healthy lives and well-being, combat climate change and build peaceful and inclusive societies for everyone. The Committee hopes that this report and its recommendations can help illuminate some of the foundation that needs to be laid by Canada, now, so it can live up to its commitments.

APPENDIX A: 2014 LIST OF THE COUNTRIES OF FOCUS AND DEVELOPMENT PARTNER COUNTRIES

In 2014, Canada announced 25 countries of focus, towards which 90% of Canada's bilateral development assistance would be targeted. Two countries – Bolivia and Pakistan – were removed from the 2009 list of 20 countries. Sudan was replaced by South Sudan. The following countries were added as countries of focus in 2014: Benin; Burma (Myanmar); Burkina Faso; Democratic Republic of the Congo; Jordan; Mongolia; and, the Philippines.

<ul style="list-style-type: none"> • Americas <ul style="list-style-type: none"> ▪ Caribbean Region ▪ Colombia ▪ Haiti ▪ Honduras ▪ Peru • Africa <ul style="list-style-type: none"> ▪ Burkina Faso ▪ Benin ▪ Democratic Republic of Congo ▪ Ethiopia ▪ Ghana ▪ Mali ▪ Mozambique ▪ Senegal ▪ South Sudan ▪ Tanzania 	<ul style="list-style-type: none"> • Asia <ul style="list-style-type: none"> ▪ Afghanistan ▪ Bangladesh ▪ Burma ▪ Indonesia ▪ Mongolia ▪ Philippines ▪ Vietnam • Europe <ul style="list-style-type: none"> ▪ Ukraine • Middle East <ul style="list-style-type: none"> ▪ Jordan ▪ West Bank and Gaza
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Source: Global Affairs Canada, [Where we work in International Development](#).

Canada also announced 12 “development partner” countries that would be the recipients of smaller bilateral programs.

<ul style="list-style-type: none">• Americas<ul style="list-style-type: none">▪ Bolivia▪ Cuba▪ Guatemala▪ Nicaragua• Africa<ul style="list-style-type: none">▪ Kenya▪ Nigeria▪ South Africa	<ul style="list-style-type: none">• Asia<ul style="list-style-type: none">▪ Pakistan▪ Sri Lanka• Middle East<ul style="list-style-type: none">▪ Egypt▪ Iraq▪ Morocco
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Source: Global Affairs Canada, [*Where we work in International Development*](#).

APPENDIX B: 2009 LIST OF COUNTRIES OF FOCUS

In 2009, the Government of Canada announced that it would be focusing 80% of its bilateral resources in 20 countries of focus. Twelve countries – Benin (included again in 2014); Burkina Faso (included again in 2014); Cambodia; Cameroon; Guyana; Kenya; Malawi; Nicaragua; Niger; Sri Lanka; Rwanda; and, Zambia – were removed from the 2005 list of development partners. The following, which had not been announced as development partners in 2005, were named countries of focus in 2009: Afghanistan; the Caribbean Regional Program; Colombia; Haiti; Peru; Sudan; and, West Bank and Gaza.

<ul style="list-style-type: none">• Americas<ul style="list-style-type: none">▪ Bolivia▪ Caribbean Region▪ Colombia▪ Haiti▪ Honduras▪ Peru• Africa<ul style="list-style-type: none">▪ Ethiopia▪ Ghana▪ Mali▪ Mozambique▪ Senegal▪ Sudan▪ Tanzania	<ul style="list-style-type: none">• Asia<ul style="list-style-type: none">▪ Afghanistan▪ Bangladesh▪ Indonesia▪ Pakistan▪ Vietnam• Europe<ul style="list-style-type: none">▪ Ukraine• Middle East<ul style="list-style-type: none">▪ West Bank and Gaza
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Source: Canadian International Development Agency, [Canada's Aid Effectiveness Agenda: Focusing on Results](#), September 2010.

APPENDIX C: 2005 LIST OF DEVELOPMENT PARTNER COUNTRIES

In 2005, the Canadian government announced that it would concentrate at least two-thirds of its country-to-country assistance towards certain sectors in 25 countries. The list included the nine countries that had been targeted for enhanced partnerships in 2002.

<ul style="list-style-type: none">• Americas<ul style="list-style-type: none">▪ Bolivia▪ Guyana▪ Honduras▪ Nicaragua• Africa<ul style="list-style-type: none">▪ Benin▪ Burkina Faso▪ Cameroon▪ Ethiopia▪ Ghana▪ Kenya▪ Malawi▪ Mali▪ Mozambique▪ Niger▪ Rwanda▪ Senegal▪ Tanzania▪ Zambia	<ul style="list-style-type: none">• Asia<ul style="list-style-type: none">▪ Bangladesh▪ Cambodia▪ Indonesia▪ Pakistan▪ Sri Lanka▪ Vietnam• Europe<ul style="list-style-type: none">▪ Ukraine
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Source: Government of Canada, "[Archived – CIDA announces new development partners: developing countries where Canada can make a difference](#)," News release, 19 April 2005.

APPENDIX D: 2002 LIST OF COUNTRIES FOR ENHANCED PARTNERSHIPS

In 2002, CIDA announced that it would focus more resources in nine countries characterized by their poverty and commitment “to improved governance and effective use of funds.”

<ul style="list-style-type: none">• Americas<ul style="list-style-type: none">▪ Bolivia▪ Honduras• Africa<ul style="list-style-type: none">▪ Ethiopia▪ Ghana▪ Mali▪ Mozambique▪ Senegal▪ Tanzania	<ul style="list-style-type: none">• Asia<ul style="list-style-type: none">▪ Bangladesh
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Source: Canadian International Development Agency, [Departmental Performance Report 2003](#), p. 19.

APPENDIX E: SELECT INDICATORS ON CANADA'S COUNTRIES OF FOCUS

Country	Canada's International Assistance, 2014–2015 ^a (\$C millions)		Human Development Index Ranking 2014 (out of 188) ^b	Democracy Index Ranking 2015 (out of 167) ^c	Population 2014 (millions) ^d	GDP per capita, 2014 (current US\$) ^e
	Bilateral	Multilateral				
Afghanistan	188.52	19.35	171	147	31.6	633
Bangladesh	70.32	72.30	142	86	159.1	1,086
Benin	6.97	16.95	166	87	10.6	903
Burkina Faso	23.63	21.96	183	106	17.6	713
Burma	11.00	10.96	148	114	53.4	1,203
Caribbean Regional Program	37.51	1.61	N/a	N/a	N/a	N/a
Colombia	39.48	2.48	97	62	47.8	7,903
Democratic Republic of the Congo	39.37	52.80	176	157	74.9	442
Ethiopia	108.04	85.61	174	123	96.9	573
Ghana	70.11	35.00	140	53	26.8	1,441
Haiti	80.87	16.66	163	119	10.6	824
Honduras	29.25	12.38	131	84	7.9	2,434
Indonesia	29.09	6.40	110	49	254.5	3,491
Jordan	83.60	1.93	80	120	6.6	5,422
Mali	131.99	20.82	179	88	17.1	704
Mongolia	0.17	4.22	90	62	2.9	4,129
Mozambique	81.95	39.42	180	109	27.2	585
Peru	29.93	1.23	84	65	30.9	6,541
Philippines	21.68	4.54	115	54	99.1	2,872
Senegal	66.60	19.11	170	75	14.7	1,067
South Sudan	122.38	6.56	169	N/a	11.9	1,115
Tanzania	101.50	72.75	151	91	51.8	955
Ukraine	505.93	5.24	81	88	45.4	3,082
Vietnam	24.64	108.33	116	128	90.7	2,052
West Bank and Gaza ^f	29.64	1.19	113	100	4.3	2,965

Notes:

- a. Information provided by Global Affairs Canada to FAAE and dated 14 June 2016, based on the [Statistical Reports on International Assistance](#). Note: figures reflect all Canadian government sources of international assistance and are not limited to Global Affairs Canada programs. "International assistance" includes humanitarian assistance.
- b. The United Nations Development Programme's (UNDP) Human Development Index is a composite measurement of various education, health and income indicators. UNDP, [Human Development Report 2015: Work for Human Development](#), 2015.
- c. The Economist Intelligence Unit's Democracy Index looks at the state of democracy across the globe. The index is a composite measurement of five indicators: electoral process and pluralism; civil liberties; the functioning of government; political participation; and, political culture. For more information, see: Economist Intelligence Unit, *Democracy Index 2015 – Democracy in an age of anxiety*, 2015.
- d. The population figures for 2014 are produced by the World Bank. According to the World Bank, "Total population is based on the de facto definition of population, which counts all residents regardless of legal status or citizenship – except for refugees not permanently settled in the country of asylum, who are generally considered part of the population of their country of origin. The values shown are midyear estimates." For more information, see: The World Bank, "[Population, total](#)," Data.
- e. The figures on gross domestic product (GDP) per capita for 2014 are produced by the World Bank.

The GDP per capita figures are in current U.S. dollars. Current dollars is a term describing income in the year in which a person, household or family receives it. See: The World Bank, "[GDP per capita \(current US\\$\)](#)," Data.
- f. The UNDP's Human Development Index and the Economist Intelligence Unit's Democracy Index refer to the West Bank and Gaza as the "State of Palestine" and "Palestine," respectively.

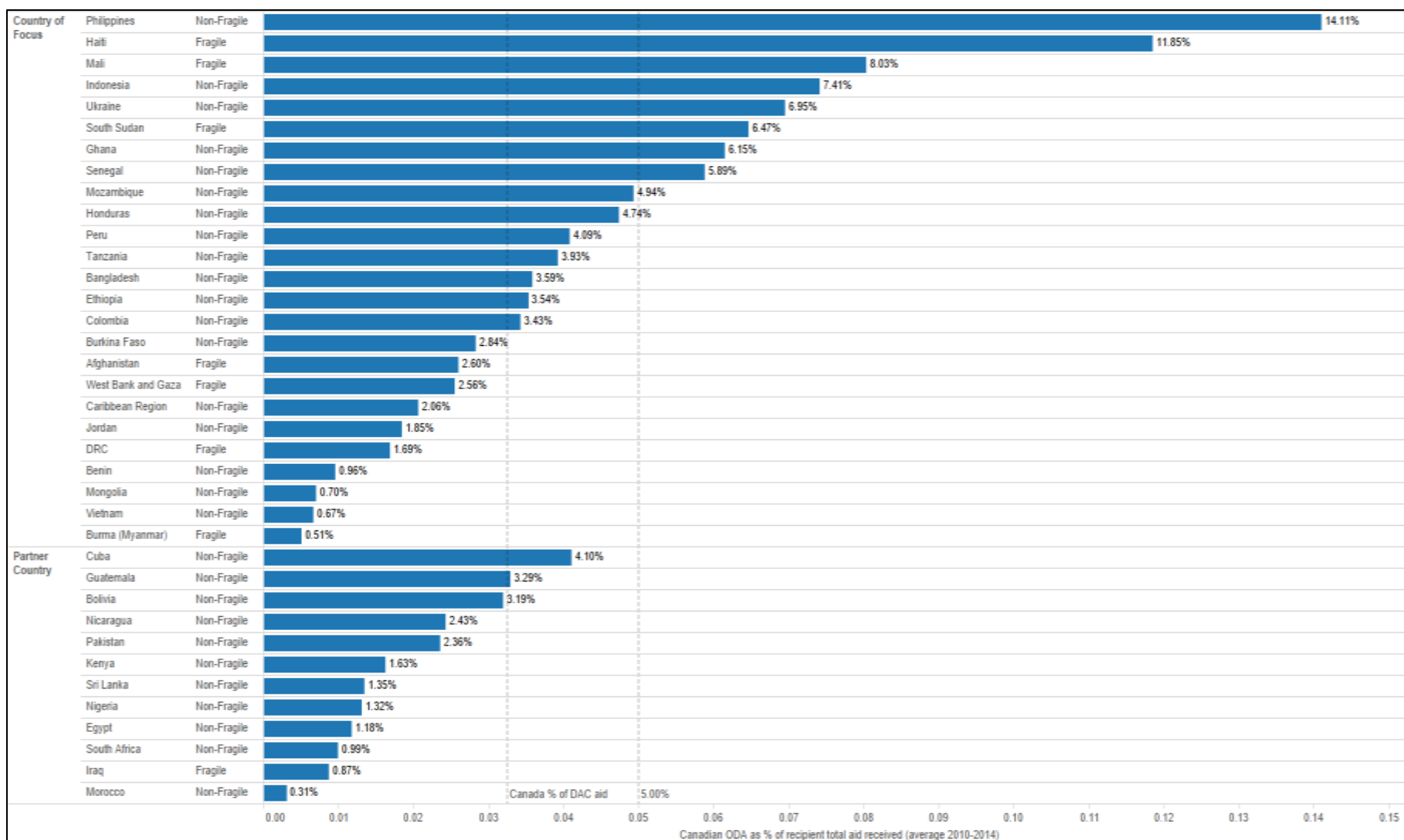
APPENDIX F: CANADA'S RELATIVE RANK AMONG DONORS (2014)

Country of Focus	Rank
Afghanistan	Not top 10
Bangladesh	10
Benin	Not top 10
Burkina Faso	Not top 10
Burma	Not top 10
Caribbean Region	–
Colombia	7
Democratic Republic of the Congo	Not top 10
Ethiopia	7
Ghana	5
Haiti	4
Honduras	5
Indonesia	Not top 10
Jordan	9
Mali	5
Mongolia	Not top 10
Mozambique	7
Peru	6
Philippines	6
Senegal	5
South Sudan	5
Tanzania	7
Ukraine	3
Vietnam	Not top 10
West Bank and Gaza	Not top 10

Partner Countries	Rank
Bolivia	10
Cuba	Not top 10
Egypt	Not top 10
Guatemala	Not top 10
Iraq	9
Kenya	Not top 10
Morocco	Not top 10
Nicaragua	Not top 10
Nigeria	Not top 10
Pakistan	Not top 10
South Africa	Not top 10
Sri Lanka	Not top 10

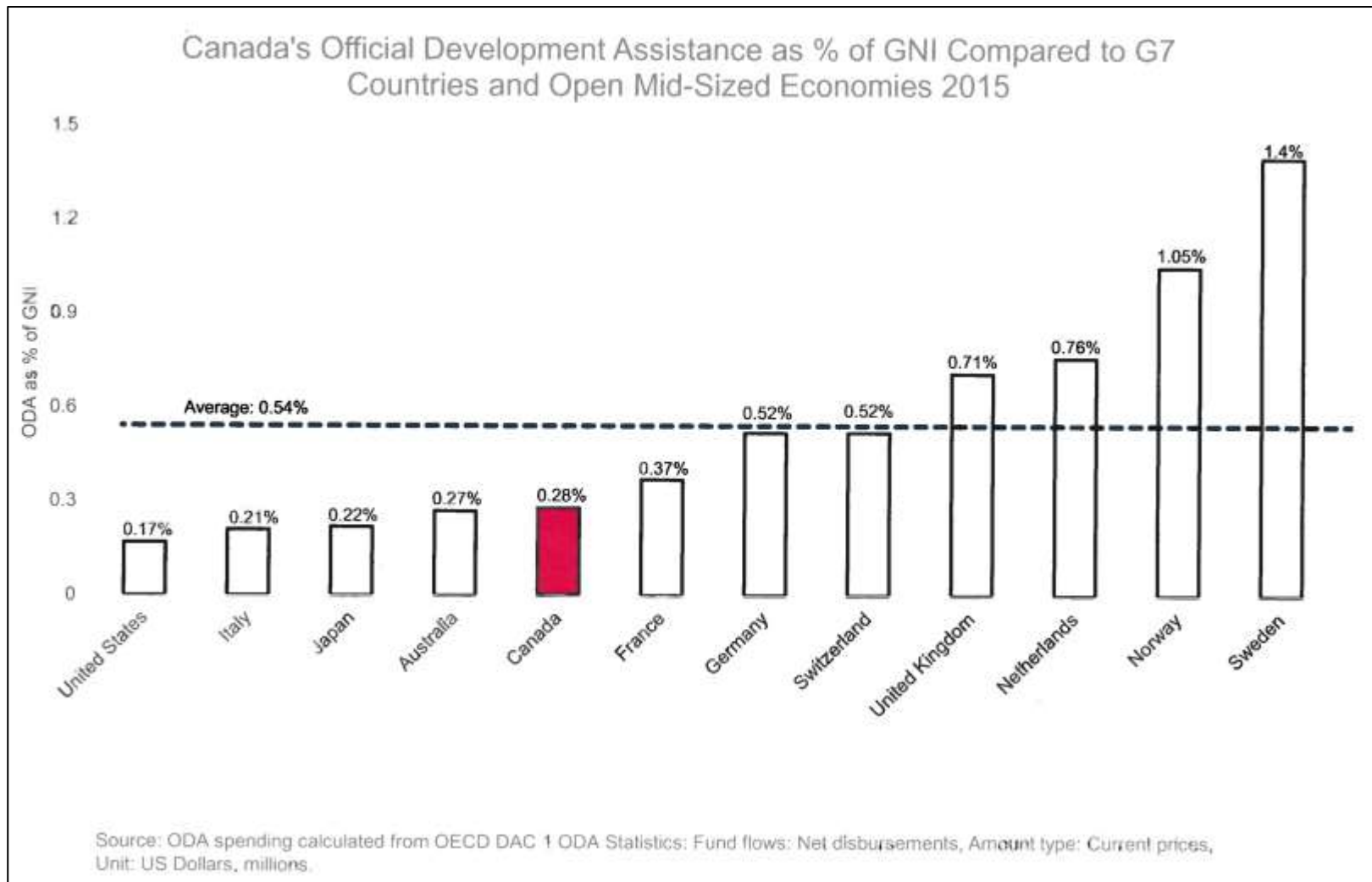
Source: Written brief provided to the Committee by Aniket Bhushan on 7 June 2016. Data is as of 2014. Table compiled by Mr. Bhushan based on statistics from the Organisation for Economic Co-operation and Development (OECD).

APPENDIX G: CANADIAN OFFICIAL DEVELOPMENT ASSISTANCE AS A PERCENTAGE OF RECIPIENT COUNTRIES' TOTAL AID (AVERAGE 2010–2014)



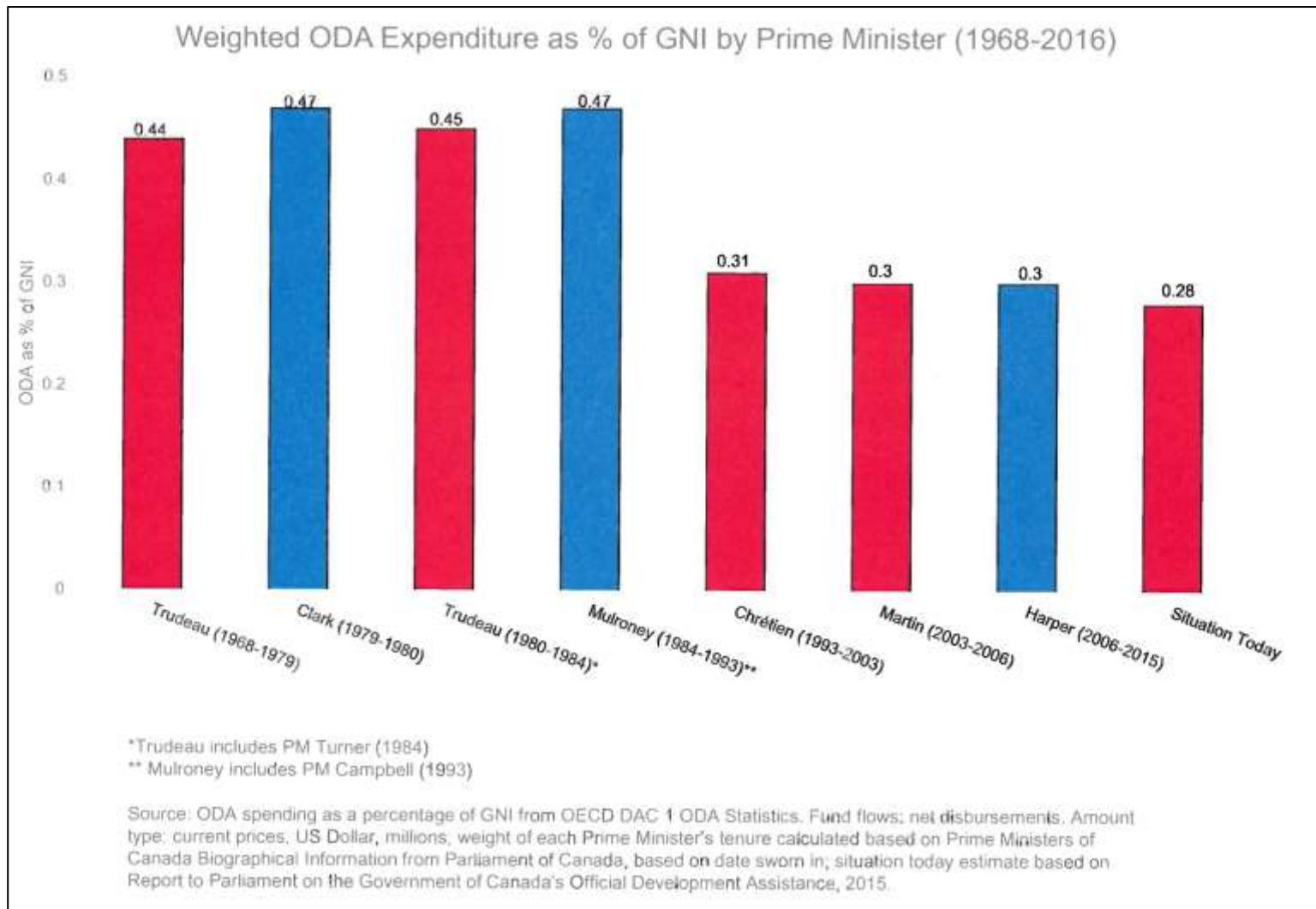
Source: Written brief provided to the Committee by Aniket Bhushan on 7 June 2016. Data represents the average for 2010–2014. Table compiled by Mr. Bhushan based on statistics from the Development Assistance Committee (DAC) of the OECD.

APPENDIX H: CANADA'S OFFICIAL DEVELOPMENT ASSISTANCE AS A PERCENTAGE OF GROSS NATIONAL INCOME COMPARED TO G7 COUNTRIES AND OTHER OPEN AND MID-SIZED ECONOMIES (2015)



Source: Written brief provided to the Committee by Robert Greenhill on 2 June 2016. Chart prepared by Mr. Greenhill.

APPENDIX I: WEIGHTED OFFICIAL DEVELOPMENT ASSISTANCE EXPENDITURE AS A PERCENTAGE OF GROSS NATIONAL INCOME BY CANADIAN PRIME MINISTER (1968–PRESENT)



Source: Written brief provided to the Committee by Robert Greenhill on 2 June 2016. Table prepared by Mr. Greenhill.

APPENDIX J: CANADA'S HISTORICAL OFFICIAL DEVELOPMENT ASSISTANCE

- Blue = date (1970) of adoption of 0.7% target by the United Nations General Assembly
- Yellow = the year (1975) with the highest level of Canadian spending on official development assistance (ODA) as a proportion of gross national income (GNI)
- Red = the year (2001) with the lowest level of Canadian spending on ODA/GNI after the adoption of the 0.7% target

Year	Net ODA (% of GNI)
1960	0.16
1961	0.16
1962	0.10
1963	0.15
1964	0.17
1965	0.19
1966	0.34
1967	0.32
1968	0.29
1969	0.29
1970	0.41
1971	0.42
1972	0.44
1973	0.42
1974	0.47
1975	0.54
1976	0.46
1977	0.50
1978	0.53
1979	0.48
1980	0.43
1981	0.43
1982	0.41
1983	0.45
1984	0.50
1985	0.49
1986	0.48
1987	0.47
1988	0.50
1989	0.44
1990	0.44

Year	Net ODA (% of GNI)
1991	0.46
1992	0.46
1993	0.45
1994	0.43
1995	0.38
1996	0.32
1997	0.34
1998	0.30
1999	0.28
2000	0.26
2001	0.22
2002	0.28
2003	0.24
2004	0.27
2005	0.34
2006	0.29
2007	0.29
2008	0.33
2009	0.30
2010	0.34
2011	0.32
2012	0.32
2013	0.28
2014	0.24
2015	0.28

Source of data: OECD: OECD Data, [Net ODA](#) (indicator). Doi: 10.1787/33346549-en, accessed on 22 September 2016.

Notes:

- The OECD defines net ODA as “government aid designed to promote the economic development and welfare of developing countries. Loans and credits for military purposes are excluded. Aid may be provided bilaterally, from donor to recipient, or channeled through a multilateral development agency such as the United Nations or the World Bank. Aid includes grants, ‘soft’ loans (where the grant element is at least 25% of the total) and the provision of technical assistance. The OECD maintains a list of developing countries and territories; only aid to these countries counts as ODA. The list is periodically updated and currently contains over 150 countries or territories with per capita incomes below USD 12 276 in 2010. A long-standing United Nations target is that developed countries should devote 0.7% of their gross national income to ODA. This indicator is measured as a percentage of gross national income and million USD constant prices, using 2014 as the base year.”
- GNI replaced gross domestic product (GDP) as the concept for measuring donor performance in 1993.

APPENDIX K LIST OF WITNESSES

Organizations and Individuals	Date	Meeting
<p>Department of Foreign Affairs, Trade and Development</p> <p>Isabelle Bérard, Director General, Americas Programming Bureau</p> <p>Deirdre Kent, Director General, Development Policy</p>	2016/05/12	13
<p>International Development Research Centre (IDRC)</p> <p>Jean Lebel, President</p>		
<p>As individuals</p> <p>François Audet, Professor, School of Management, Université du Québec à Montréal</p> <p>Stephen Brown, Professor, School of Political Studies, University of Ottawa</p> <p>Lauchlan T. Munro, Director, School of International Development and Global Studies, University of Ottawa</p>	2016/05/17	14
<p>CARE Canada</p> <p>Santiago Alba-Corral, Senior Director, International Development</p> <p>Shaughn McArthur, Advocacy and Government Relations Advisor, International Programs</p>		
<p>UNICEF Canada</p> <p>Carleen McGuinty, Deputy Director, International Policy and Programs</p>		
<p>World Vision Canada</p> <p>Rachel Logel Carmichael, Team Leader, Programs and Policy</p> <p>Jamie McIntosh, Vice-President, Programs and Policy</p>		
<p>As an individual</p> <p>John McArthur, Senior Fellow, Global Economy and Development Program, Brookings Institution</p> <p>Philip Oxhorn, Professor of Political Science, Founding Director of the Institute for the Study of International Development, McGill University</p>	2016/05/19	15
<p>Asia Pacific Foundation of Canada</p> <p>Eva Busza, Vice-President of Research and Programs</p>		

Organizations and Individuals	Date	Meeting
Canadian Council for International Cooperation Fraser Reilly-King, Senior Policy Analyst	2016/05/19	15
Canadian Foodgrains Bank Jim Cornelius, Executive Director		
Oxfam Canada Kelly Bowden, Acting Director, Policy and Campaigns Christina Polzot, Manager, Program Development, Quality and Knowledge		
Association québécoise des organismes de coopération internationale Denis Côté, Political Analyst	2016/05/31	16
Engineers Without Borders Canada James Haga, Vice-President		
The McLeod Group Hunter McGill		
As individuals Robert Greenhill, Executive Chairman, Global Canada Eric Werker, Associate Professor, Beedie School of Business, Simon Fraser University	2016/06/02	17
Canadian Executive Service Organization Wendy Harris, President and Chief Executive Officer		
Cuso International Evelyne Guindon, Chief Executive Officer		
As individuals Shannon Kindornay, Adjunct Research Professor and Independent Consultant, Norman Paterson School of International Affairs, Carleton University Benjamin Zyla, Professor, School of International Development and Global Studies, University of Ottawa	2016/06/07	18
Canadian International Development Platform Aniket Bhushan, Adjunct Research Professor and Principal Investigator, Norman Paterson School of International Affairs, Carleton University		
Micronutrient Initiative Mark Fryars, Vice-President, Program and Technical Services		

Organizations and Individuals	Date	Meeting
<p>Plan International Canada Inc. Caroline Riseboro, President and Chief Executive Officer</p>	2016/06/07	18
<p>Save the Children Canada Marlen Mondaca, Director, International Programs</p>		
<p>As an individual Jean Daudelin, Associate Professor, Norman Paterson School of International Affairs, Carleton University</p>	2016/06/09	19
<p>Department of Foreign Affairs, Trade and Development Isabelle Bérard, Director General, Latin America (Development) Sylvia Cesaratto, Director, South America Mylène Paradis, Deputy Director, Central America</p>		
<p>Fio Corporation Michael Greenberg, Chairman and Chief Executive Officer</p>		
<p>Inter Pares Bill Fairbairn, Latin America Program Manager</p>		
<p>KAIROS: Canadian Ecumenical Justice Initiatives Rachel Warden, Coordinator, Latin American Partnerships and Gender Justice Program</p>		

APPENDIX L LIST OF BRIEFS

Organizations and Individuals

Africa Study Group

Agriteam Canada

Canadian Bar Association

Canadian Bureau for International Education

Canadian Coalition for the Rights of Children

Canadian Council for International Cooperation

Canadian Feed The Children

Canadian International Development Platform

Canadian Leaders in International Consulting Inc.

Centre for Israel and Jewish Affairs

Colleges and Institutes Canada

McArthur, John W.

NGO Monitor

Primate's World Relief and Development Fund

Purpose Group International

Rotary International

Save the Children Canada

Somlai, Yvan G.

UNICEF Canada

Veterinarians without Borders

Werker, Eric

World Animal Protection

World Vision Canada

REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the Committee requests that the government table a comprehensive response to this Report.

A copy of the relevant *Minutes of Proceedings* ([Meetings Nos. 13 to 19, 24, 25, 27 and 28](#)) is tabled.

Respectfully submitted,

Hon. Robert D. Nault
Chair

Supplementary Opinion of the New Democratic Party

While we support the majority report, we are producing a supplementary opinion in order to highlight some important points raised by witnesses that are not reflected in the report's recommendations, and to emphasize that we disagree with recommendation 7 concerning Canadian development assistance.

Although recommendation 6 in the majority report stated that the government should align its international development policy with the local priorities of partner countries, this recommendation should have clearly mentioned Canada's obligation to implement the Paris Declaration on Aid Effectiveness. The declaration's five fundamental principles will increase the effectiveness of Canadian aid in the field. As various witnesses pointed out, the federal government is far from implementing the Paris Declaration in its development assistance policy.

With regard to the criteria for allocating Canadian assistance, recommendation 1 does not specify which criteria the federal government should review and improve. However, witnesses stated that the criterion to align Canadian foreign policy with assistance seems contrary to poverty reduction objectives. The NDP wishes to draw on testimony to emphasize that Canada's assistance policy should not be subordinate to federal foreign affairs concerns.

In addition, the majority report does not contain any recommendations regarding the approach the federal government should take to achieve the 2030 sustainable development goals (SDGs). However, witnesses stated that a thematic approach to assistance would be more effective than a countries-of-focus approach with regard to attaining the 2030 SDGs.

In terms of the SDG-related targets, Canada's assistance policy must be based on stable, predictable multi-year funding. Canada currently allocates barely 0.28% of its gross national income to official development assistance. The UN expert panel led by former Liberal prime minister Lester Pearson had set 0.7% as the target to be achieved. Canada must do better and rejoin the group of nations that are attaining or exceeding this objective.

Improve the criteria for selecting countries of focus and Canada's assistance partners and ensure they are consistent with the Paris Declaration on Aid Effectiveness.

Recommendation 1: *The federal government should establish selection criteria for countries of focus and official development assistance partners that are consistent with the Paris Declaration on Aid Effectiveness and the Official Development Assistance Accountability Act. Canada's international*

development policy should not be subordinate to the federal government's foreign policy interests.

The federal government currently uses three criteria for selecting countries of focus: the countries' real needs, their capacity to benefit from development assistance and their alignment with Canadian foreign policy priorities.

A number of witnesses mentioned that these criteria were inconsistent with the international development goals that Canada should pursue. Professor Stephen Brown stated as follows:

"...alignment with Canadian foreign policy is not about development; it's about Canada. This can often harm aid effectiveness, and it is not the purpose of foreign aid. Foreign aid is defined by Canadian law to be all about poverty reduction, and the definition of official development assistance agreed to, including by Canada, in the OECD development assistance committee, DAC, means that it has to be directed towards the welfare of the recipient country."

While the *Official Development Assistance Accountability Act* states clearly that official development assistance must target poverty reduction, this goal is being undermined by the federal government's vague and contradictory criteria. Professor Aniket Bhushan stated as follows:

"What is the problem with this approach? Well, it has been argued, and I agree, that this is way too broad and vague an approach. It leads us to a place where, in our focus on partner countries, we have 37 priorities and partners in all. There is a lack of transparency about how the approach is actually applied. Really, any country you can think of can be put onto a focus or partner list because the criteria are so broad."

As it works to improve the selection criteria for countries receiving assistance, the federal government must ensure it has the resources to provide aid effectively in the field. Canada is a signatory to the Paris Declaration on Aid Effectiveness. One of the five main components of the declaration is for donor countries to align their development policies with the partner countries' priorities. Professor Stephen Brown made the following statement:

"We must support the priorities of local governments and institutions. Canada signed the Paris Declaration on Aid Effectiveness 15 years ago. We are committed to respecting the priorities of countries, to local ownership, and to aligning our efforts with their priorities. I believe that when we focus too much on our own priorities, we fail to comply with our commitment and with our new way of working together with others."

Although Canada has signed the declaration, the federal government has failed to implement its principles. As the Canadian Council for International Co-operation pointed out:

“... Canada's 2012 peer review by the OECD noted how far Canada had fallen from aligning its support to the priorities of the countries in which it was operating.... We need a new action plan, and we need country partners, not us, to lead the way in defining their priorities for implementing the sustainable development goals.”

A thematic approach is necessary to achieve the 2030 Sustainable Development Goals.

Recommendation 2: *The federal government should do more to integrate a thematic approach into its international development policy.*

As stated earlier, the federal government must change its approach in order to meet its international obligations. Achieving the 2030 SDGs is critical to eradicating poverty. That is why Canada's international development policy should be based on impoverished people and not solely on impoverished countries. Currently, 70% of impoverished people live in middle-income countries. As the Canadian FoodGrains Bank noted:

“Many of the actions required to address development in the current environment go well beyond specific country programs, so there is merit in developing some thematic priorities and having funding flexibility to support these types of initiatives.”

The 2030 SDGs obviously require a thematic approach. As the Canadian Council for International Cooperation stated:

“The new SDGs challenge us to move outside of our silos, pushing for both stand-alone goals and cross-cutting objectives, such as on women's rights and gender equality and, I would argue also, on climate change.”

We must achieve 0.7% in order to fund the 2030 SDGs.

Recommendation 3: *The Government of Canada should introduce a 10-year funding strategy culminating in the allocation of 0.7% of its gross national income to official development assistance.*

Funding for international assistance must be significantly increased in order to achieve the 2030 SDGs. Canada's annual contribution to official development assistance is below the OCDE average. According to the Development Assistance Committee, OCDE countries contribute an average of 0.3% of their gross national income to official development assistance, while Canada contributes barely 0.28%. Our 2030 SDG strategy must be based on proper funding.

The Association québécoise des organismes de coopération Internationale supports our position:

“That is one way for Canada to support the implementation of sustainable development goals, or SDGs—through a substantial, gradual, predictable increase in its level of development assistance until it reaches the target of 0.7%.”

The NDP also believes that the 0.7% target is an international obligation for Canada. Global Canada strongly supports this approach:

“The idea is to ask what we can do in the next 10 or 15 years. That's what the British did. They said it wasn't just a matter of charity, but also a question of shared prosperity and global stability.”