

More than ever



QUESTIONS ADDRESSED IN THIS Q&A

About DEVELOPMENT AND PEACE

- Why do we believe in international development?

- What is DEVELOPMENT AND PEACE's role in Canada's aid program?

The state of Canada's international aid

- What is international aid? What is it for? How is it channelled?

- What are Canada's historic commitments to the international community and to the world's poor?

- What is aid effectiveness? What does it mean?

- What is the current level of overseas development aid being sent by Canada?

New orientations of Canada's international Aid

- What's behind the new budget? What does it imply for ODA?

- Is this occurring only in Canada?

- What are the new priorities and objectives of Canada's foreign aid?

- How does CIDA's new competitive bidding mechanism and what is its impact?



CANADIAN CATHOLIC ORGANIZATION FOR

**Development
and Peace**

Q & A ON INTERNATIONAL
DEVELOPMENT

MAY 2012

Here is some background information on international aid to support you in your mobilization initiatives.

About DEVELOPMENT AND PEACE

Why do we believe in international development?

As a Catholic social movement, we cannot accept that millions of people suffer the tragic effects of dire poverty. Our work is shaped by the Gospel and the preferential option for the poor, a tenet of Catholic Social Teaching, which compels us to place the poor and their needs first. Tied into that, is the notion of integral development, where development means assisting the poor in becoming self-autonomous and finally the masters of their own destiny. We stand in solidarity with the poor in their quest for better living conditions and their struggle for justice.

International development aid is a concrete expression of that solidarity. It is the recognition that every human being is precious and merits to be treated with dignity, and that living in society must benefit everyone. International development aid is a social commitment to works towards eradicating poverty and creating a just world.

What is DEVELOPMENT AND PEACE's role in Canada's aid program?

Canada, like most countries in the North, is committed to supporting destitute populations in developing countries in improving their livelihoods and securing their rights as citizens. DEVELOPMENT AND PEACE is one of Canada's most active players in the field of international development and has been working in partnership with the Canadian International Development Agency (CIDA), the government body that administers most of Canada's foreign aid, since the agency's inception. As such, DEVELOPMENT AND PEACE has played an important role in helping Canada meet its commitment to the Global South.

The approach of DEVELOPMENT AND PEACE is to work for and with the poor in partnership with grassroots organizations and coalitions in developing countries that are striving to make permanent and sustainable changes in areas such as food security, citizen participation, equality between women and men, conflict resolution and the extraction of resources, which aim to tackle the root causes of poverty and marginalization. This approach has always been relevant in Canadian foreign aid, which subscribes to the overall belief that aid should be about partnership rather than paternalism, and acknowledges that the eradication of poverty can only occur through long-term support.

Although Canada's priorities for international aid have shifted over the years to keep pace with the evolving international aid agenda, such as the adoption of the Millennium Development Goals in 2000, the underlying commitment to address unjust poverty has always remained the same. Furthermore, in 2008 Canada adopted the Official Development Assistance (ODA) Accountability Act, which lays out the three conditions of official development assistance: it contributes to poverty reduction; it takes into account the perspectives of the poor; and is consistent with international human rights standards.

The state of Canada's international aid

What is international aid? What is it for? How is it channelled?



Ecuador

International aid is financial aid given by governments and other agencies to fulfill their international obligations and to support the economic, environmental, social and political development of countries in the Global South. Aid that is earmarked for development is called Official Development Assistance (ODA).

As such, sustainable community development is an impor-

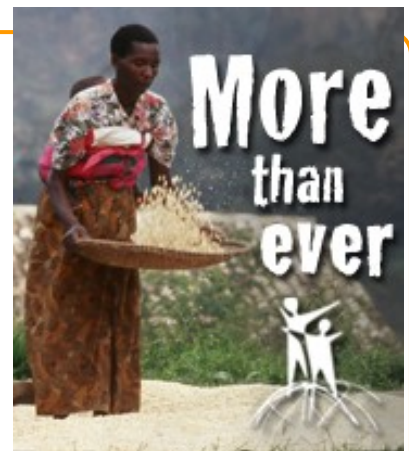
tant component of international aid, and DEVELOPMENT AND PEACE has mostly collaborated with CIDA on these types of programs. It focuses on alleviating poverty in the long term, and is used to support programs that aim to strengthen the elements required in society for poverty reduction to take place, such as education and economic opportunities for women, civic education and mechanisms for

government accountability. In Canada, most funds for ODA are managed by CIDA, which channels them through global initiatives (ex. World Health Organization), multilateral commitments (ex. United Nations agencies), bilateral agreements (government to government) and partnerships with Canadian international development organizations, like DEVELOPMENT AND PEACE, that have shown a recognized expertise and capacity to implement programs.

What are Canada's historic commitments to the international community and to the world's poor?

Canada has contributed to foreign aid since the late 1960s. As one of the wealthier countries in the world, it has participated in key summits and has subscribed to United Nations' and other international covenants to end poverty. In 1969, Canadian Prime Minister Lester B. Pearson led a United Nations Commission that recommended that donor countries contribute 0.7% of their Gross National Income (GNI) to foreign aid. This commitment continues to be re-affirmed, most recently at the Gleneagles G8 summit in 2005. However, Canada, like most donor countries, has not met this commit-

ment. In the year 1995, Canada held the 6th position in the world for foreign aid contributions. This ranking by the Organization for Economic Co-operation and Development (OECD) is determined on the basis of the total percentage of GNI contributed in the form of overall development assistance. By the year 2002, the rank of Canada declined sharply to 18th in the world, among 22 different nations. In 2009, Canada was ranked 14 out of 20 countries.



What is aid effectiveness? What does it mean?

In recent years, there has been a concerted effort amongst government international aid agencies to better coordinate and make international aid more effective. Following the trend, CIDA has prioritized specific countries and themes as part of its commitment to give a better focus to its international aid program. In 2009, this evolved further when CIDA decided to place most its efforts (approximately 80% of its budget) towards 20 countries and around three themes: food security; children and youth; and

sustainable economic development. In 2010, it also introduced a new financing mechanism, where international development organizations, and other actors, must bid on calls-for-proposals to receive funding for specific initiatives. This mechanism, however, fails to take into account the needs of the poor, as the objectives and priorities for projects are aligned on Canada's international goals rather than on the realities occurring on the ground.



Haiti

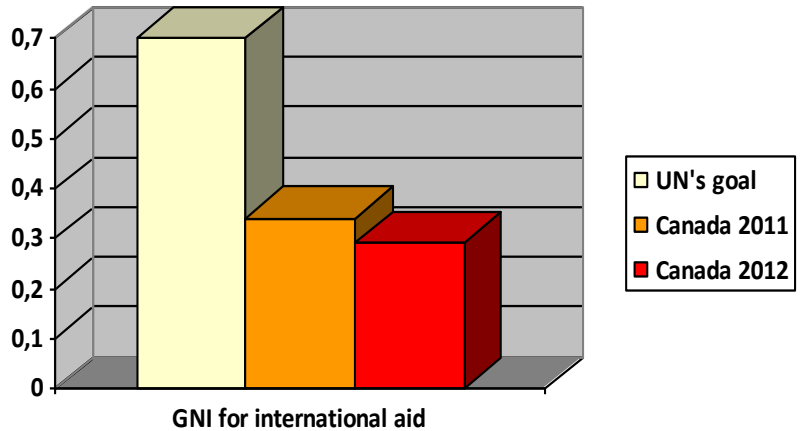
What is the current level of international development aid being sent by Canada?

The budget for Canadian international aid has been frozen for the last four years.

In that time, Canada's aid spending slipped from 0.34% of GNI to 0.29%. In this year's budget, it was announced that foreign aid will shrink by more than 7 per cent by 2014-15

⇒ a \$377 million cut from Canada's current \$5.16 billion aid budget,

which means that Canada's aid spending will slip even further.

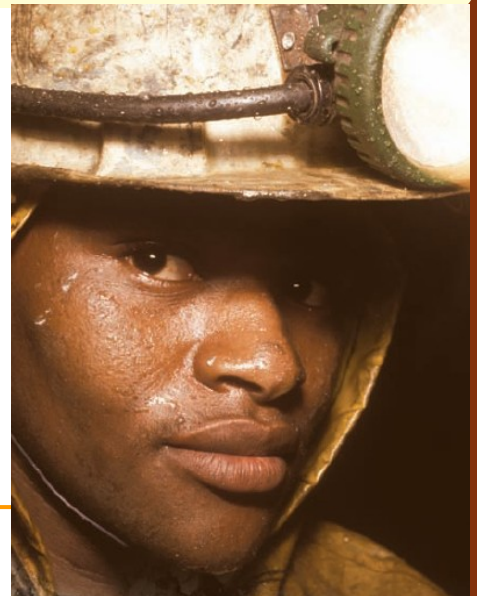


New orientations of Canada's international aid

What's behind the new budget? What does it imply for ODA?

In the recent budget, there were sharp reductions announced to foreign aid and in 2012-2013, CIDA will lose 4.5% of its total budget. This will have serious implications on Canada's commitment towards developing countries, and it will be the poor who will feel these effects most profoundly, as communities will lose support from local organizations

that understand their needs and are helping them organize themselves to address those needs. In addition to these budgetary cuts, CIDA has prioritized its aid towards countries that offer the greatest potential for Canadian investment, rather than those where poverty is most prevalent. This marks a significant shift in Canada's approach to foreign aid.



Is this occurring only in Canada?



Unfortunately, reductions in foreign aid and refocusing on national interests are part of a growing global trend. Many wealthy countries have been implementing austerity measures and are increasingly cutting their foreign aid budgets and redirecting what is left toward their own objectives, which in turn is contributing to the further impoverishment of communities in developing countries.



What are the new priorities and objectives of Canada's foreign aid?

The Minister of International Co-operation has begun to implement new policies at CIDA which are bringing fundamental changes to Canada's approach to international development. One of these is to provide financial support to organizations collaborating with Canadian private sector companies investing in industries in developing countries, such as mining companies. Many NGOs and other sectors of the Canadian population have expressed

concern over this new approach, as it places Canadian trade priorities above the needs of the poor and does not take into account the ODA Accountability Act.

Furthermore, CIDA has introduced a new competitive bidding system, which supports this shift away from Canada's commitment to support developing countries in setting their own development priorities based on the needs of their people. Instead, project priorities will be set by the Canadian Government, with little

input from grassroots organizations in the Global South who often form the only voice for the poor and marginalized.



Ecuador

How does CIDA's new competitive bidding mechanism work and what is its impact?

This new mechanism weakens Canada's commitment to international aid and the world's poor for the following reasons:

- When there is a call for proposals, non-governmental organizations, foundations, private companies, universities, professional associations, consulting firms, unions, and other interested parties, including international governmental organizations, are eligible to submit a project proposal in the hopes of being selected. Some of these groups may not have the experience or expertise to implement projects nor have direct links to local communities.
- This mechanism is different from the previous one which favoured a partnership approach for long-term sustainable development, rather than short-term projects with no guarantee of continuity. Local partner organizations value prescribed timelines and consistent support, as this allows them to build programs that strengthen over time and create more lasting results. CIDA's new short-term approach does not ensure the continuity of action once project financing ends and puts the effectiveness of projects into question.
- Calls for proposals foster competition within the Canadian international development sector, rather than cooperation, which is critical in order to create a synergy in the work being done, and avoid duplication. It also puts at risk the many networks and coalitions that have been forged between Canadian international development organizations, who will now view each other as competitors rather than collaborators.

