

Aid Effectiveness and the Framing of New Canadian Aid Initiatives

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At the end of the twentieth century, foreign aid appeared to be in almost terminal decline, both in Canada and in other Western countries. During the 1990s, Canada's official development assistance (ODA) dropped from \$3.0 billion in 1990-1 to \$2.6 billion in 2000-1. Relative to the size of the Canadian economy, the decline was even more dramatic. The government cut aid disbursements almost in half during this same period, from 0.45 per cent to 0.25 per cent of gross national income (GNI) (Canada, 2009: 10). The optimism that accompanied the end of the Cold War quickly evanesced. Disillusioned with the lack of tangible results, Canada and most other donors slashed their aid budgets as part of deficit-cutting strategies, turning their backs on longstanding commitments to reaching 0.7 per cent of GNI. After 30 years of aid growth, it felt like the end of an era.

The new century ushered in a radical reversal of this trend. The Millennium Development Goals (MDGs), adopted at the United Nations in 2000, epitomized the new thinking. Donors recognized that massive efforts were required to reduce drastically poverty over a 15-year period, including through increased spending to improve access to health and education. At the beginning of the twenty-first century, at UN conferences and G8 summits, Western donors renewed and reiterated their commitments to providing higher levels of aid, to target poverty reduction and to focus especially on Africa, the continent where needs are the greatest. They also sought to improve aid effectiveness, so as to provide not only more but also better aid. For the first few years, Canada was an enthusiastic participant in this trend. By 2005, Canadian ODA disbursements had bounced back to 0.35 per cent of GNI (OECD, 2009), though this remained only half the international target.

A year after the adoption of the MDGs, the al-Qaida terrorist attacks of September 11, 2001 profoundly shaped the context in which foreign aid operated. The new mindset of the 'war on terror', and the linked US-led invasions of Iraq and Afghanistan, recast how Canada and other donors framed and oriented their aid programs. Almost overnight, security concerns gained a central importance, often eclipsing focus on the MDGs. Within the context of these contradictory international trends, Canada began to rethink its place in the world and especially its relationship with the United States.

Successive Canadian prime ministers each brought a new direction to foreign aid, usually building on his predecessor's achievements. For instance, Jean Chrétien reversed the decline in aid flows and designated Africa a priority. Paul Martin integrated aid more closely with other foreign policy 'instruments' (known as the 'whole-of-government approach') and took steps to focus on a smaller number of countries. Stephen Harper sought to concentrate and integrate aid even further, notably focusing resources on Afghanistan, but also replacing Africa with the Americas as the priority region for aid.

This chapter analyzes the main trends in Canadian development assistance policy since 2000-1, the pivotal ‘international moment’ that pulled ODA simultaneously in two new directions: a preoccupation with the immediate and medium-term needs of the poor embodied in the MDGs and with donor countries’ own security concerns in the post-9/11 era.¹ It argues that shifts in Canadian aid policy reflect the government’s broader foreign policy concerns, especially a preoccupation with prestige (the quest for a personal legacy under Chrétien and for Canada’s place among peers and in the post-9/11 world under Martin and Harper) and most recently commercial self-interest, with a new geographical focus on Latin America and the Caribbean, as well as the promotion of mining interests. Though these forms of self-interest are not new or unique to Canada, the Canadian government has generally framed these changes as improvements in aid effectiveness and thus as being of benefit to poor countries. With the notable exception of the gradual untying of aid, however, most Canadian initiatives’ impact on effectiveness would be unclear or even detrimental. Couching these changes in aid effectiveness terms, the Canadian government is increasingly seeking to instrumentalize the Canadian International Development Agency (CIDA) and Canadian aid programs to reflect non-development-related interests.

The chapter is organized as follows. Its first section analyzes the politics of aid effectiveness by examining in turn the main components in the effectiveness discussions that have been part of Canadian aid policy initiatives in recent years: the untying of aid, the search for results, the ‘focus on focus’ (fewer recipient countries and economic sectors), and the coherence between aid policy and policies in other areas (including the 2013 absorption of CIDA into the Department of Foreign Affairs and International Trade, DFAIT). It then explores the motivations that underpin recent Canadian aid policy initiatives. The conclusion summarizes the main argument and speculates on the effect of global changes on Canadian foreign aid in the years to come.

The Politics of Aid Effectiveness

Virtually every time the Canadian government announces changes in aid policy, it evokes the need for aid to have greater impact, regardless of who is in power.² At first blush, this might appear impossible to be anything but a good thing. After all, it would be hard to oppose effectiveness. Upon further examination, however, the concept’s malleability permits its use to

¹ It is worth underlining that this chapter focuses its analysis on changes at the policy level and does not examine the concrete impact of new initiatives on the ground, which may not yet be discernable and are only beginning to be studied in depth.

² For instance: ‘CIDA will reorient its programming in the poorest countries towards new approaches that are based on the principles of effective development’ (Canada, 2002: 7); ‘In order to increase the effectiveness of the development cooperation program, we will focus our efforts in a few priority sectors and in a small group of countries and will engage in value-added, selective partnerships with Canadians and with the most effective multilateral institutions’ (Canada, 2005: 31); ‘By fully untying Canada’s aid, the Government is delivering on its commitment in the 2006 Speech from the Throne to support “a more effective use of aid dollars” and the 2007 Budget’s promise not only to increase the amount of Canada’s international assistance envelope, but also “to make our existing resources work more effectively”’ (CIDA, 2008: 1); ‘With greater efficiency, focus, and accountability, our Government’s new approach to Canadian aid will be even more effective’ (CIDA, 2009a: 1); and ‘The Department of Foreign Affairs, Trade and Development will leverage the synergies resulting from the amalgamation to maximize the effectiveness of the resources available to deliver development and humanitarian assistance’ (Canada, 2013: 241).

justify any new initiative, preventing it from having any fixed connotations. ‘Effectiveness’ becomes a substitute for ‘good policy’, which in turn is really the government’s preferred policy, enhanced by an aura of supposed objectivity and benevolence, underpinned by cost-effectiveness and international legitimacy.

‘Aid effectiveness’ is currently one of the most important buzzwords in aid circles. In recent years, the term has acquired two distinct meanings. First, in the late 1990s, the World Bank published an influential report entitled *Assessing Aid: What Works, What Doesn’t, and Why* (World Bank, 1998). Based on econometric analysis, it argued that aid produces growth only in countries with a ‘good’ policy environment and ‘sound’ fiscal, monetary, and trade policies, without which, it inferred, aid is wasted (further argued in Burnside and Dollar, 2000). Though the methodology and reasoning were roundly criticized (Lensink and White, 2000), this strand of aid effectiveness came to signify the ability to produce economic growth (notably not a synonym for development) when combined with the ‘right’ policies in recipient countries.

Simultaneously, a different meaning emerged among donor countries, more specifically the 22 member countries of the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD/DAC), where donors discuss and try to coordinate aid policy. Concerned not only with policies in recipient countries, as the World Bank had been, they considered how *donor* aid policies could improve the effectiveness of their contributions. The 2005 Paris Declaration on Aid Effectiveness, supplemented by the 2008 Accra Agenda for Action, formalized as basic principles the centrality of harmonization among donors, alignment with recipient country ownership, and the predictability of aid flows, among others. In other words, aid’s effectiveness depended not on the ‘correct’ neoliberal policy environment in recipient countries, but rather on strengthened commitment and cooperation of donors among themselves and with recipient countries.³ The 2011 Busan Partnership for Effective Development Co-operation expanded the concept to ‘development effectiveness’, to include the non-aid dimensions of development, but that term’s meaning was even less well defined than aid effectiveness (Kindornay 2011).

As a member of the DAC and part of the DAC-led process in defining the principles of aid effectiveness, the Canadian government often invoked these principles to outline the basic philosophy of Canadian assistance. However, the government continued to use the World Bank’s approach and present its neoliberal justifications in its policy documents for directing aid to certain countries (Canada, 2002, 2005)—even after most other donors had abandoned the logic behind that argument, along with that particular use of the term ‘effectiveness’. Lacking any robust empirical evidence to support this approach, Canada embraced what was essentially a political or ideological preference for countries with minimal state intervention in their economy and great openness to international finance and investment.

More recently, however, the government and especially successive Cabinet ministers responsible for aid have invoked effectiveness to justify any changes the government makes, even if they contradict the basic consensus principles. Canada’s version of aid effectiveness is clearly ‘a distinct, more narrow version’ of the internationally endorsed agenda that concentrates on internal organizational issues and accountability to Canadian taxpayers (Lalonde 2009: 169; see also Brown and Jackson 2009). Some Canadian initiatives, such as completely untying aid (i.e., not requiring that funds be spent on Canadian products and services), are fully in line with

³ I don’t mean to accept uncritically the principles of the Paris Declaration (see Booth 2012; Hyden 2008). Nonetheless, it represents the standing consensus on what constitutes aid effectiveness, to which Canada has subscribed and against which Canada’s policies and practices can be assessed.

aid effectiveness principles. Others are less so, such as frequently changing priority countries and sectors. This raises the question of effectiveness for what and for whom, to be further addressed below.

This chapter does not seek to assess Canada's progress in the actual implementation of the international 'aid effectiveness agenda', which is examined in Lalonde (2009) and OECD (2011). Rather, it analyzes recent Canadian policy initiatives and the extent to which they can be justified by the aid effectiveness rationale, by which I mean whether they improve the quality of aid from the point of view of beneficiaries in recipient countries. The rest of this section thus examines the recent evolution of the four main components of Canadian aid policy changes—focus, tied aid, results and policy coherence—and their links to aid effectiveness.⁴

Focus, focus, focus

Given Canada's relatively paltry generosity when compared to its peers and its lack of commitment to increasing aid flows, it is logical that the government prefers instead to emphasize improving effectiveness, increasing Canada's prestige and the benefits that accrue to Canada, all discussed below.⁵ As part of its effectiveness mantra, the government constantly repeats the word 'focus'. Greater focus, both geographical and thematic, is assumed but never demonstrated to improve effectiveness. The constant shifting in priority countries, continents, and sectors, however, unambiguously decreases effectiveness.

Canadian aid has been very widely dispersed since the early 1970s (Morrison, 2000: 26). Canada is the only donor country to belong to the Commonwealth, the Francophonie, and the Organization of American States. Membership has its privileges, but also obligations—or at least an interest in providing assistance to developing country members in Asia, francophone and anglophone Africa, Latin America, and the Caribbean. Canada's aid is also spent in a broad range of sectors. The donor consensus, however, is to focus on a smaller number of both countries and sectors in order to increase effectiveness. Canada's donor peers, like its domestic critics, have often criticized CIDA programming for being excessively scattered (OECD, 2002, 2007). Successive Canadian governments have taken steps to concentrate not only on a subset of countries, but also on a handful of sectors.

In 2002, the Chrétien government announced its intention to bolster its relationship with 'a limited number of the world's poorest countries', emphasizing how this would improve the impact of Canadian ODA (Canada, 2002: 11). Of the nine countries selected for 'enhanced partnerships', two-thirds were in Sub-Saharan Africa.⁶ Unable to achieve this degree of concentration, the Martin government announced in 2005 that Canada would increase the impact of its aid by dedicating two-thirds of its bilateral aid to 25 'development partners' (Canada

⁴ The first three are the main ones listed in Canada's 'Aid Effectiveness Agenda' (FATDC, 2013), which also includes short bromides on the importance of ownership for achieving results, transparency and accountability, and partnerships. I added the fourth item, policy coherence, in recognition the role of non-aid policies in either reinforcing or undermining aid effectiveness.

⁵ In 2012, Canada was the 14th most generous DAC donor in terms of ODA/GNI (OECD, 2013). By way of comparison, Canada was the sixth most generous country as recently as 1994 (Morrison, 2000: 21). As Canada continues to cut its aid budget, its ranking is likely to slip further in coming years.

⁶ Namely Ghana, Ethiopia, Mali, Mozambique, Senegal, and Tanzania. The others were Honduras, Bolivia, and Bangladesh.

2005).⁷ To the existing nine countries, it added eight Sub-Saharan African ones, two Latin American ones, five Asian ones, and one European one.⁸ In 2009, the Harper government radically redrew the list, retaining the original core of nine, adding the West Bank/Gaza and four new countries in the Americas, while dropping 12 of the 16 additions from 2005, including all eight African ones.⁹ It announced that 80 per cent of bilateral aid would be directed to those 20 priority countries. In 2014, it designated seven new “countries of focus”, most of which were in sub-Saharan Africa and Asia, and dropped two, for a total of 25 countries to which 90 per cent of bilateral aid would flow.¹⁰

Successive governments also announced a focus on a limited number of sectors. In 2001, CIDA adopted social development priorities in health and nutrition, basic education, HIV/AIDS, and children, all of which were meant to include the promotion of gender equality. These aligned well with Canada’s commitment to the Millennium Development Goals. In the 2002 development policy statement, the minister added rural development and agriculture, as well as the private sector (Canada, 2002: 14-16). In Martin’s 2005 policy statement, the list was redrawn to focus on good governance, health, basic education, private sector development, and environmental sustainability, again with gender as a cross-cutting theme (Canada, 2005: 11). In 2009, the government announced three ‘priority themes’: increasing food security, stimulating sustainable economic growth, and securing the future of children and youth. This unexpected announcement created confusion in the Canadian development community as ‘themes’ are not quite the same as sectors and could in fact encompass numerous sectors. For instance, the future of children and youth would certainly include health and education, but arguably also a variety of efforts in technical training, job creation, and peacebuilding, to name but a few. To these ‘priority’ themes the government added three ‘crosscutting’ ones: environmental sustainability, equality between men and women, and governance (FATDC 2013), further muddying the waters as to what was to be included and, more to the point, excluded.

Though one could endlessly debate the merits of individual country recipients and sectors, two facts put into perspective the question of focus. First, despite consensus among donors on the need to focus on fewer recipients and sectors, the theoretical argument that this approach increases aid effectiveness has serious weaknesses and claims to that effect lack empirical evidence (Munro, 2005). If all donors adopt such focus without coordinating their efforts, this also creates new risks, including the overconcentration of aid in certain recipient countries and the relative neglect of others. Furthermore, Canada’s decision to focus only on certain sectors or themes contradicts its commitment in previous aid policy statements (Canada, 2002; 2005), the government’s own Aid Effectiveness Agenda (FATDC 2013) and under the Paris Declaration to recipients’ ownership of their development strategy and donor alignment with recipients’ national priorities.

⁷ As Stairs (2005) pointed out, two-thirds of bilateral aid were already going to 25 countries—though not the same 25. This new policy would therefore not necessarily achieve any greater concentration.

⁸ Benin, Burkina Faso, Cameroon, Kenya, Malawi, Niger Rwanda, and Zambia; Guyana and Nicaragua; Cambodia, Indonesia, Pakistan, Sri Lanka, and Vietnam; and Ukraine.

⁹ The other additions to the list in the Americas were Colombia, Haiti, Peru, and the Caribbean regional program. The other countries dropped were the two Latin American countries added in 2005 (Guyana and Nicaragua) and two newly added Asian ones (Cambodia and Sri Lanka).

¹⁰ It added three African countries (Benin, Burkina Faso, and the Democratic Republic of the Congo), three in Asia (Mongolia, Myanmar/Burma, and the Philippines) and one in the Middle East (Jordan). Removed from the list were Bolivia and Pakistan.

Second, even if increased focus were in fact beneficial, significantly changing the list of priority countries and sectors every few years—even in the name of effectiveness—increases aid volatility and thus actually reduces aid effectiveness.¹¹ According to a report by the Auditor General of Canada (2009: 21), ‘the lack of clear direction’, in large part due to frequently changing priorities and senior staff, including presidents and ministers, ‘has confused CIDA staff, recipient governments, and other donors, effectively undermining the Agency’s long-term predictability’. For instance, it is clearly not conducive to aid effectiveness to designate Benin and Burkina Faso priority countries in 2005, delist them in 2009, and then reinstate them in 2014. ‘Focusing on focus’ rather than on more substantive issues, such as the origins of and solutions to poverty and inequality, serve as a convenient justification for a given government’s own preferences, while providing a veneer of selflessness and assuaging peer pressure.

Tied aid: the long goodbye

Tied aid is a practice that involves making ODA conditional on the purchase of goods and services from the donor country. Tied aid adds on average an extra 15-30 per cent to costs because it prevents funds from being used to buy the best value for money on a competitive market (Jepma, 1991: 15). This benefits the donor country, but provides no advantage to the recipient. Tied aid is thus antithetical to the notion of aid effectiveness.

The most unambiguous advance in Canadian aid policy since 2000 is the progressive, albeit slow untying of aid. In 2002, the government recognized that tied aid was ‘at odds with trends towards trade liberalization and the dismantling of investment barriers’ and that tying its aid benefited Canada rather than developing countries. At the time, Canada tied more of its ODA than the majority of its peers. At least 50 per cent of aid to African and least developed countries and two-thirds of aid to other countries had to be spent in Canada. No more than 10 per cent of the cost of emergency food aid could be used to purchase food in countries other than Canada. Under pressure from G8 and DAC partners, Canada initially agreed to untie certain categories of aid to least developed countries only, but not food aid (Canada, 2002: 19-23).

After a tsunami devastated the coastal areas of many Asian countries in 2004, the Canadian response highlighted the shortcomings of tied food aid. Rather than buy rice available in nearby Asian countries, the government shipped Canadian surplus wheat, which cost more, took longer to arrive, and was less suited to local diets. The government responded to widespread criticism by reducing the tied component of its food aid to 50 per cent.

In 2005, Canada signed the Paris Declaration on Aid Effectiveness, which committed the government to untying aid, though with no specific deadline for eliminating the practice altogether (OECD, 2005: 6, 9). In 2008, the government announced its intention to untie fully all aid by 2012-13 (CIDA, 2008). This has eliminated the ineffectiveness caused by tying procurement to the donor country and brought Canada in line with the international norm, though only slowly and rather belatedly.

¹¹ As CIDA itself has recognized, ‘Long-term development requires a predictable and stable source of funding to be effective’ and ‘effective international assistance involves long-term relationships with development partners’ (Canada, 2005: 10).

An unhealthy obsession with results

The need to focus on results has long been a concern for the DAC (see OECD, 1996) and CIDA itself (reflected in its use of ‘results-based management’ tools since the 1990s). However, an overemphasis on immediately visible results often has a negative effect on aid effectiveness (Vollmer, in press). Canada’s new fixation, bordering on obsession, is linked to both the Conservative leitmotif of accountability, and the need to justify massive expenditures in Afghanistan, which had rapidly become by far the largest recipient of Canadian aid, as well as aid to Africa (see criticisms in Canada 2007a, b; 2008). The focus on results also reflects the scepticism of the Conservative Party and an important part of its constituency towards the actual desirability of foreign aid, as well as the party’s wish to demonstrate to taxpayers that their money is being well spent.

Unfortunately for donor governments seeking to claim credit, development assistance results are not always tangible or quick. For instance, ‘qualitative changes in gender relations’ are difficult to monitor and measure (Edwards and Hulme, 1996: 968). Likewise, aid to the governance sector cannot be immediately assessed by quantifiable indicators—or if it is, they can only capture some components of results. Others can take a generation to bear fruit with any certainty. Even then, causality is difficult to establish. Long-term development successes are not attributable to a single source, especially when donors work closely with each other or a recipient government. As a growing proportion of aid funds are channelled to development programs and sector-wide approaches, rather than individual projects (in line with current thinking on aid effectiveness), the task of attributing results becomes more difficult. Moreover, foreign aid is but one contribution to the development process in a given country. Others include domestic policies and planning, national and international investment, international trade policies, and resource endowments.

CIDA’s inability to claim direct credit for some of its endeavours leaves it vulnerable to unfair accusations of failure. The lack of demonstrable results imputable to Canada does not mean that Canadian aid was wasted. However, by embracing and fetishizing immediately visible results, Canada biases its assistance towards short-term, stand-alone project assistance in sectors where results can be tangible and quick, exemplified by Canada’s three signature projects in Afghanistan: repairing the Dahla Dam and the connected irrigation system in Kandahar province, supporting the education sector, and eliminating polio.

This can easily backfire and further discredit Canadian aid when high-profile projects fall behind schedule or fail to meet their targets, as has been the case (Watson, 2013; A. Woods, 2009). Moreover, this type of assistance is at odds with the principles of the aid effectiveness agenda, which emphasizes the long-term integration of development efforts with recipient government institutions, based on recipient needs and strategies, rather than scoring quick points for individual donors’ pet projects. It also contradicts the state-building objectives that underpin assistance to ‘fragile states’ such as Afghanistan, whose future depends far more on its government gaining legitimacy among Afghans than the Canadian government doing so. In sum, a fixation on short-term visible results emphasizes ‘accountancy’ more than it does actual ‘accountability’, which requires a longer time horizon (Edwards and Hulme, 1996: 968).

A more productive approach would also acknowledge the inherent uncertainties in development assistance, especially in conflict zones, and adopt aid modalities that try to mitigate these problems over the medium-to-long term. Rather than pandering to public pressure and aiming for ‘quick wins’ for Canada, the government could educate the Canadian public about the

challenges of development, the importance of strengthening local institutions, and the real principles of effectiveness in the longer term.

The quest for policy coherence

The question of coherence among different government departments and policies has been on the donor agenda for over a decade (OECD, 1996; Pratt 1999). The Chrétien government mentioned it in its 2002 development policy statement (Canada 2002: 17-18), but it was under Paul Martin that it became an important practice. Initially known as the ‘3-D approach’ (referring to diplomacy, defence, and development), it was later expanded to include commerce and other areas and renamed the ‘whole-of-government approach’, which featured prominently in the Martin government’s international policy statement.

Though in principle, coherence and consistency (much like aid effectiveness) can only be seen as a good thing, their impact on development goals is not necessarily positive. In essence, it depends on what becomes the overriding concern. If other departments, such as foreign affairs, international trade, and defence, were to line up behind development goals, this could help a donor government achieve aid objectives. Notably, the interests of developing countries themselves could be better reflected in donor policies, at home and at the international level. For example, the lowering or elimination of tariff barriers and other protectionist measures would promote developing country exports and could raise incomes more than foreign aid does. Likewise, the use of donor troops to stabilize countries emerging from civil war could improve the impact of aid.

In practice, however, evidence from other donor countries suggests that policy integration leads to the subordination of development objectives to donors’ foreign policy and defence priorities, not the other way around (Smillie, 2004: 15), which reduces rather than increases aid effectiveness. For many donors, the war on terror has profoundly influenced their aid disbursements with the goal of enhancing their own security, in a global trend towards the increased ‘securitization’ of foreign aid (N. Woods, 2005). Such is clearly the case for Canada’s involvement in Afghanistan, which commands a disproportionate amount of CIDA’s attention and resources. Canadian ODA to that country ballooned from a paltry US\$7 million in 2000 to US\$345 million in 2007, representing about 8.5 per cent of total Canadian ODA.¹² In spite of unprecedentedly high expenditures, it became clear that achieving aid effectiveness is especially difficult in a war zone like Kandahar. In spite of attempts to link Canadian defence, diplomatic, and development initiatives in Afghanistan, none of the three Ds appeared to produce any clear progress, be it the defeat of the Taliban insurgency in Kandahar province, the strengthening of the Afghan state with a legitimate government, or the improvement of the lives of millions of impoverished Afghans.

Without this form of policy coherence, CIDA would be able to function with greater autonomy (Brown 2008a) and have a greater impact on development by spending its funds in countries where they could be used more effectively, rather than being used—and ineffectually at that—to shore up Canada’s and other donors’ strategic priorities in Afghanistan. Even so, it might be too early to call for the end of the whole-of-government approach, since it might prove more effective for promoting development in countries in the midst of complex crises unrelated to the war on terror, such as Haiti and Sudan (Baranyi and Paducel 2012).

¹² OECD International Development Statistics, Internet, www.oecd.org/dac/stats/idsonline, accessed 28 December 2009.

The Canadian government signalled its desire to integrate policy even further when it merged CIDA into DFAIT in 2013, creating the megalithic Department of Foreign Affairs, Trade and Development. The government argued the amalgamation would ‘maximize the effectiveness of the resources available to deliver development and humanitarian assistance’ (Canada, 2013: 241). Whether it will actually ‘put development on equal footing with trade and diplomacy’, as Minister of International Cooperation Julian Fantino (2013) stated at the time, will depend on the mix of motivations that underpin policy coherence. As argued in the next section of this chapter, they are unlikely to do so.

Morphing Motivations

States are not monolithic unitary actors and it is generally not possible to discern clear overarching motivations. As Ilan Kapoor (2008: 78) points out, one should avoid ‘presupposing a homogeneous nation-state and fully rational and controlled policy-making’. Just as individuals can have mixed motives, so too can states. Moreover, different actors within government (CIDA, DFAIT, Prime Minister’s Office) or within a government department or agency (CIDA President’s Office, Policy Branch, country desk officers) can differ widely in their approaches to ODA.

Analysts have long recognized that the simultaneous pursuit of political, commercial and development objectives hampers aid efficiency (Canada, 1987: 7; Morrison, 2000: 15). The recent aid policy changes discussed above illustrate shifts in the government’s thinking about ODA and the motivations that underpin them, even if the initiatives do not necessarily have a large impact on the actual day-to-day implementation of Canadian aid outside Afghanistan, especially not in the short term. Most CIDA employees try to keep their heads down and carry on with their jobs, regardless of new policy initiatives. In other words, though self-interested motivations characterize recent Canadian aid policy *changes*, one should not infer that those motives underlie Canadian foreign aid as a whole.

Traditionally, the motivation debate has been set up as a tug-of-war between self-interest (‘realism’, epitomized by Morgenthau, 1962) and selflessness (‘humane internationalism’, such as Lumsdaine, 1993). Though self-interest has become more important (Brown, 2007; Pratt, 2000), the desire for prestige (as suggested by Nossal, 1988), in particular Canada’s international reputation, initially explained changes at CIDA during the early years of the Harper government better than did more tangible commercial or even national security interests—including the emphasis placed on Afghanistan. However, starting in 2011, promoting Canadian commercial interests gained in importance.

Throughout the 1990s, under Prime Minister Jean Chrétien, Canada’s ODA declined steadily. Assistance to Africa was especially hard hit: By 2000, it was less than half of its previous level (Brown, 2013: 182). It is thus a particularly noteworthy achievement—and compelling evidence of Canadians’ capacity for collective amnesia—that Chrétien managed to reinvent himself in the early 2000s as a vociferous proponent of development assistance in general and aid to Africa in particular. Chrétien’s sudden about-face in the final years of his mandate, including the renewal of aid itself and increased attention to Africa, was closely linked to his own concerns for personal legacy, a generous imprint he could make in Canada and on the global stage—though he was more successful at home than internationally (Black 2005, 2006; Brown 2008b).

Chrétien's successor, Paul Martin, focused less on personal credit than trying to improve Canada's global presence, notably mending its relations with the United States, which had suffered under Chrétien, most recently because of Canada's refusal to take part in the US-led invasion of Iraq. Martin's international policy statement was tellingly titled *A Role of Pride and Influence in the World*, which played to both the domestic and the international audience. The priority the Liberals and later the Conservatives accorded to Afghanistan reflected a concern to prove that Canada could make important contributions to the NATO alliance, including by sending Canadian soldiers to Afghanistan, assuming lead responsibility in Kandahar province, and making Afghanistan a top-priority recipient of Canadian ODA.

The Conservative government of Stephen Harper, first elected in 2006, has not yet released any official documents outlining its approach to foreign aid. For that reason, any analysis of aid policy initiatives is only slightly more exact than reading tea leaves. One must glean information from relatively brief press releases and vague public statements made by politicians, none of which has provided any in-depth rationale or justification for changes. As such, the making of aid policy under Prime Minister Harper has been done 'by stealth' and is being drip fed to Parliament, CIDA employees, and the Canadian public.

Still, some statements by top officials strongly suggest that international prestige has been a crucial consideration for the Conservative government as well. For example, in 2007, the government indicated that Canada would concentrate efforts in countries where Canada could be among the top five donors, demonstrating a clear desire to have a place at the table with major donors (Canada, 2007c: 262)—assuming of course that there are actually five seats at the metaphoric and literal table. At the time, International Cooperation Minister Josée Verner noted that in some cases increasing expenditures only slightly would place Canada there, suggesting that the government was more interested in impressing voters and donor peers than it was in actual impact (Brown 2008a).

After Bev Oda replaced Verner as CIDA minister in 2007, prestige abroad became less central—though it still characterized the desire for signature projects in Afghanistan. As Kapoor (2008: 87) notes, 'Nationalist symbols permit donors to be identified, thanked, or envied; they also enable it to stake its territory, and perhaps to gloat.' Signature projects mark Canada's international presence and enhance its national credibility, but—as mentioned above—they also contradict widely held principles of aid effectiveness. For that reason, they can actually detract from Canada's reputation among other donors and development workers in Canada and abroad. According to Nilima Gulrajani (2009: A13), 'In the world of international aid, Canada is reputed as a money-grubbing flag planter rather than effectively and selflessly serving the world's poor.' A discredited Canada makes it harder for the Canadian government and individual Canadian officials to influence donor debates within the OECD/DAC and in donor coordination groups on the ground in recipient countries. Harper's hastily assembled 2010 Maternal, Newborn and Child Health Initiative did little to restore the Canadian government's credibility (Black, 2013), while recent aid budget cuts are likely to further hurt Canada's international reputation.

With the shift in focus from Africa to the Americas, first announced by Harper at the 2007 G8 summit, the government's motivation ostensibly started to move away from rather symbolic prestige concerns and towards more concrete economic and specifically commercial self-interest. The new list of 20 'core countries' released in 2009 operationalized this new regional priority when, as mentioned above, it dropped many poor African countries and added wealthier ones in Latin America and the Caribbean, notably ones of particular trade interest to

Canada.¹³ Soon after, the government listed for the first time ‘alignment with Canada’s foreign policy’ as an explicit official criterion for selecting core recipients (FATDC 2013). Bev Oda announced new tripartite funding arrangements with Canadian NGOs and mining companies in 2011, while her successor Julian Fantino continued to emphasize the importance of supporting the private sector and ensuring that Canadians themselves benefit from foreign aid (Brown, 2013: 187-88). This new trend caught the attention of the OECD, which reminded the Canadian government that ‘there should be no confusion between development objectives and the promotion of commercial interests’ (OECD, 2012: 11). Nonetheless, the government increasingly linked aid to commercial interests. The following year, it declared its intention to “leverage development programming to advance Canada’s trade interests” (Canada 2013a: 14), illustrated in 2014 by the addition of several new “countries of focus” of great interest to the Canadian extractive industry, including the Democratic Republic of the Congo, Mongolia, and Myanmar/Burma.

A concern for personal or national prestige, however, should not be overemphasized in the analysis of policy shifts.¹⁴ Pressure from the donor community, notably within the OECD/DAC, has played an important but under-recognized part in shaping Canadian aid policy, as was the case with Canada’s renewed emphasis on Africa in 2001-2 (Black 2006). Chrétien and Martin generally followed the donor consensus, at times contributing to it. Harper, on the other hand, seemed at times to relish breaking with it and distancing himself from global norms (and Liberal priorities), especially eschewing the focus on Africa in favour of the Americas.

In this tale, one significant effort sought to push the Canadian government in the opposite direction. The ODA Accountability Act was passed by Parliament in 2008 as a private member’s bill. It aimed to ensure that all Canadian aid would contribute directly to poverty reduction, take into account the perspectives of the poor, and be consistent with international human right standards. However, its provisions lack teeth. According to the government’s interpretation, Canadian ODA is already in compliance with the new law, even if one can at best expect a very indirect, long-term contribution of certain aid activities to poverty reduction. The new law may thus have no discernible effect on aid (Halifax Initiative, 2009). Certainly, the government would prefer to ignore the act’s attempt to reorient aid, much to the consternation of Canadian development NGOs. Tellingly, none of the government’s announcements since the law was passed have made any reference to the act as providing any guidance on aid policy.

Conclusion: What Would Lester Do?

Prior to 2001, observers such as Cranford Pratt (2000) noted with concern that the government was increasingly justifying Canadian aid on the basis of global security, rather than the need to fight poverty and inequality. Most lamented the decline of Pearsonian idealism and a global justice imperative. This trend intensified after the al-Qaida attacks on the United States in 2001, impelling the government to focus on specifically Canadian security, rather than global security

¹³ Though ODA to Latin America can legitimately fight poverty and inequality (Cameron, 2007), the new list notably included comparatively well-off countries (the English-speaking Caribbean) and ones where Canada was actively pursuing free-trade agreements (Colombia and Peru).

¹⁴ Prestige-seeking and compliance with norms are not incompatible. As Lumsdaine (1993: 67) argues, ‘doing something costly and right but doing it out of desire for approbation’ is evidence of the strength of peer pressure and norms.

(Brown, 2007). As mentioned above, Canada is not exceptional in the ‘securitization’ of its foreign aid and the increased focus on self-interest, rather than poverty eradication (N. Woods, 2005).

At the same time, since 2000, a counter-trend has been emerging in the global aid regime. Epitomized by the MDGs’ underlining of the urgency of the fight against poverty, emerging donor norms dictated increased aid volumes, especially to Sub-Saharan Africa, and much greater attention to social spending. This new trend also underscored the importance not only of policies in recipient countries but ways that Canada and other donors themselves could improve their aid delivery, embodied in the Paris Declaration on Aid Effectiveness.

Since Chrétien’s final years in office, and increasingly so under Harper, the government has presented its policy initiatives as ways of improving the effectiveness of Canadian aid. Some efforts, particularly the untying of aid, were clear contributions to that goal, even if Canada was one of the last holdouts in this area. Other efforts, such as concentrating aid in fewer countries and sectors, have not shown evidence of a positive or negative effect on aid effectiveness—and raise some concerns and potential new risks for developing countries. Moreover, the frequency of changes in priority countries and sectors have in themselves undermined the effectiveness of Canadian aid. Other policies and practices, especially the emphasis on signature projects in Afghanistan and the redefining of core sectors and countries every few years, are political decisions and preferences, which directly or indirectly contradict stated Canadian policies on local ownership, the predictability of aid flows, the centrality of long-term relationships with recipients and other internationally accepted principles of aid effectiveness. The heavy concentration of Canadian ODA in Afghanistan, despite severe security-related impediments to effective aid, epitomized politically motivated aid priorities. Finally, the adoption of a whole-of-government approach to foreign policy could theoretically enhance aid effectiveness. However, to date, policy coherence has instead undermined it by generally subjecting development priorities to donor self-interest, rather than the other way around.

Throughout this period, new Canadian policies and priorities usually reflected a desire for prestige: personal prestige in Chrétien’s final years as prime minister, but more often Canada’s international prestige, especially under Martin and the early Harper years, when the government sought to use aid to bolster Canada’s place in the world, including improving its relationship with the United States. The size and nature of Canada’s involvement in Afghanistan best illustrated the government’s desire for the US and other Western allies to consider it a team player. The relative feebleness of Canada’s renewal of aid, however, ensured that Canadians, rather than other donor countries, would be these efforts’ main audience. By 2009, notwithstanding continued involvement in Afghanistan, it appeared that the Harper government was less interested in using foreign aid to redefine Canada’s place in the world and gain international prestige. It has failed to make any commitment to increasing or even maintaining aid flows after 2010, it ended Africa’s privileged position as the continent that most urgently needed aid, and it embraced instead the open use of ODA for Canadian commercial self-interest, especially in Latin America and the Caribbean and in relation to the mining sector.

It should be noted, however, that self-interest and the seeking of international prestige need not be incompatible with development efforts, depending on how national interest is constructed. If Canada were to seek prominence through renewed Pearsonian internationalism, to be a leader in generous, innovative, poverty-fighting foreign aid, it could gain respect in the eyes of its donor peers and the developing world. Canada has brought new perspectives to donors’ discussions in the past, including the importance of gender issues and NGOs (Morrison 1998;

2000). Spearheading a similar issue in the future, such as human-rights-based approaches to development, could help provide a platform for global leadership and enhance Canada's influence, helping it for instance to obtain a non-permanent seat at the UN Security Council. The question of aid policy thus encompasses not only the volume of aid and the underlying objective of Canadian assistance, but also the kind of country Canada wants to be, Canada's place in the world, and the kind of world Canada envisions.¹⁵

The coming years will pose additional challenges to the aid regime in general and to Canadian policies in particular. Over the medium and long term, climate change will increase the developing world's need for international assistance, particularly because of more frequent and severe natural disasters, lower crop yields, food scarcity, and higher food prices (Ayers and Huq, 2009). Meanwhile, Canada's place among donors is waning, as its share of global aid flows decreases, accelerated by the rise of non-DAC donors such as China and non-state donors, including private philanthropic organizations. The G20, where Canada's influence is limited, is supplanting the G8, where Canada sits among a select few. Canada could respond by further concentrating on narrowly defined self-interest, thereby sealing its fate as a minor player on the world stage, or it could radically rethink how and to whom it provides assistance and try to make niche contributions that would actually contribute to aid effectiveness on the ground.

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¹⁵ For a critique of this national(ist) framework for situating the aid relationship, see Kapoor (2008).

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