Abstract

Canadian foreign aid policy has undergone dramatic restructuring in the last decade, bringing the effectiveness of development projects under widespread scrutiny by experts in the field. Although Canada is considered to be world leader in global development, the lack of a clear operating framework renders developmental efforts largely unsustainable and ineffective in target communities. Economic evaluation of aid effectiveness limits the actions of development agencies to short-term solutions such as the food aid initiatives in Ethiopia. Canada has also showed increasing support for the militarization of aid, although military intervention tactics in countries such as Afghanistan have demonstrated few sustainable results. Alternatively, investment in grassroots development projects, such as international research partnerships between the IDRC and Peru, support long-term development and systemic progress. It is important to future foreign aid policy considerations to address the current limitations on how “progress” is evaluated and how aid is delivered as a result to ensure that taxpayer dollars are being wisely invested in impactful strategies.

I. Introduction: Foreign Aid in Canada

The modern international community utilizes foreign aid as a mechanism to address global poverty. However, the inadequacies of aid strategies are reflected in the limited progress of recipient countries. The idea that the international community holds responsibility in alleviating global poverty is the foundation of foreign aid policies around the world. Driving the global trend towards internationalism is the understanding that an international order is absolutely essential to the preservation of peace. Currently, the Organization for Economic Cooperation and Development (OECD) is encouraging countries to move towards increased policy coherency in developmental aid to further facilitate cooperation among nations. Notwithstanding, the current annual global investment in foreign aid still leaves 1.2 billion people living on less than $1.25 a day. Canada has historically been recognized as a major agent of developmental assistance. In 2012, Canada’s foreign aid

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budget was a reported 5.7 billion USD; spread over 120 different fragile state projects. The Canadian International Development Agency (CIDA), the official administrator of Canadian aid programs, was merged with the Department of Foreign Affairs and International Trade (DFAIT) in 2013. This merger implied a move towards improved policy coherence across the three pillars of Canadian foreign policy: defense, diplomacy, and development. The Canadian Government defines foreign aid as all concessional donations provided by official agencies, to a specified list of eligible countries, with economic development and welfare as their main objective.

As the main mechanism for providing bilateral aid, the CIDA was criticized for its operational constraints and risk-adverse culture that inhibited the decision-making ability of the organization. Government and public demand for measurable economic results produced a fixation on evaluating the accountability of aid programs. The CIDA was required to report all major spending choices to the cabinet and had very little autonomy, amounting to a bureaucratic struggle and limited results. The amalgamation of the CIDA and the DFAIT failed to establish any associated policy framework, creating widespread “concern that the merger may mean that development priorities will become increasingly subordinated to diplomatic and trade concerns”. While effectiveness should be a fundamental goal of Canadian aid, it is not a sufficient framework to guide Canada’s development efforts. The Department of Foreign Affairs, Trade, and Development (DFATD) was created in an effort to achieve greater policy coherence. However, a clear indication of how individual priorities, policies, and programs will operate under the DFATD is still missing.

In 2013, the OECD released figures indicating that the world was committing more money to ODA than ever before. At the same time, Canada’s budget for foreign aid fell over 11 percent. Currently, public demand for results has created a fixation on the measurable output of foreign aid. This pushes aid agencies to increase funding to emergency aid programs as opposed to long-term development projects. The shortsighted nature of relief projects does not lead to long-term sustainability in developing communities. Additionally, Canada has turned to the military as a method of delivering aid in fragile states. The militarization of aid in Canada blurs the line between progress and violence, effectively undermining the developmental efforts of non-government organizations and non-military groups. The emergence of the DFATD presents an opportunity for Canada to reevaluate its framework for policy coherence, its definition of aid effectiveness, and its method of delivering aid to fragile states.

II. Defining Aid Effectiveness

Although it is important to acknowledge where aid money is being spent, society’s fixation on producing immediate results forces many development organizations to concentrate funding on emergency relief programs. Canada’s significant involvement in Ethiopia’s food security challenges provides a clear example of the limited results of short-term aid.

a. Short-Term Solutions: Ethiopian Example

As the second most populous country in sub-Saharan Africa, Ethiopia is defined by one of the highest rates of poverty in the world. Periodic droughts and famine in the 20th century have created a nation where over 30 percent of the population lives in poverty. Subsistence farming and dependence on unreliable rainfall characterize the agriculture industry, which accounts for over 80 percent of the GDP.

From 2002 to 2003, Ethiopia received an estimated 1.4 million tonnes of food aid. A history of colonial conflict throughout the Horn of Africa has created...
a volatile nation characterized by political instability. Ethiopian governments have attempted to introduce policies that address food insecurity since the mid-1970s, all of which have failed. Consequently, Ethiopia has been dependent on food aid for decades. In 2005 the government introduced the Productive Safety Net Program, a relief-to-development program that encourages local farmers to construct wells and small irrigation systems in exchange for food. However the country still faces difficulty maintaining the capacity to respond to drought without government support in health education and water infrastructure programs. In spite of food aid, Ethiopia has experienced a massive food deficit since the 1970s and is largely considered to be one of the most food dependent nations in the world. Regardless of the harvest each year, at least 5 million individual Ethiopians need food aid for a minimum of six months in order to survive. Relief has been formally institutionalized in the nation and has created a systemic dependence on incoming aid. Low agricultural productivity is not a result of negligence or idleness, rather it is indicative of systemic weaknesses of the government’s food security strategies. The deliverance of food aid supports a system of oppression wherein a corrupt government controls the allocation of food in the nation. Human Rights Watch’s research found that control over foreign aid has become a government mechanism to effectively silence independent opposition and punish criticism. The population is less likely to speak out against abuses in their community or the inefficiencies of government actions as a result.

The DFATD lists Ethiopia as a major country of focus and Canada is its 3rd largest bilateral country donor. In 2012, humanitarian assistance and development aid to Ethiopia received the largest cut of Canadian ODA spending, with over $207.64 million going towards food and agricultural security projects. Canadian support in the areas of food security and agricultural growth translate to food-for-work programs and emergency relief packages. Despite the massive incoming aid effort, the OECD ranked Ethiopia at 173rd out of 187 nations on the human development index in 2014. Today, Ethiopia remains one of Africa’s poorest countries plagued by widespread poverty and food insecurity.

b. Economic Evaluation of Aid

There is no shortage of cases similar to Ethiopia that demonstrate the consequences of shortsighted aid policies. The constant demand for results promotes a short-term economic measurement of progress that obstructs sustainable progress. The budget of aid agencies is often based on their ability to deliver results, and the effectiveness of their programming in previous years. To ensure consistent funding, government organizations are forced to implement results-oriented aid services. The fundamental problem is that sustainable development projects are often long-term initiatives that do not have short term, measureable, economic results. These fragile states are placed in a position of dependency, in which limited funds are consistently allocated to short-term relief projects. Widespread interest with the quantifiable effectiveness of aid is further demonstrated in the remarkably swift public reaction to natural crises, in comparison to human conflict. The 2010 earthquake in Haiti claimed some 230,000 lives and drew $1.4 billion in private funds and $9.9 billion from international governments. In comparison, the warring state of the Democratic Republic of Congo has killed in excess of 5 million people over the last 80 years while capturing limited international attention. The world’s largest and most well recognized foreign aid organizations all

14Ibid.
fall under the category of emergency relief. Emergency relief engagements are able to bypass the bureaucratic structure of the countries in need and deliver rapid, noticeable results. This framework of development is unable to address government structures that are needed to support the eventual transition from relief to future development.

The economic definition of aid effectiveness provides a mere glimpse of the work done by aid agencies. The simple analysis of a nation’s GDP does not provide an accurate picture of the rate of development. The fixation on aid effectiveness in terms of input and output does not support the sustainable development necessary for long-term progress. The GDP assumes “that everything produced is good by definition” and treats “resource overuse as income rather than depletion”. To ensure that government support is not reduced, many organizations are forced to renounce their holistic development plans and adopt short-term relief efforts. In order for the aid sector to be truly effective, the Canadian government must adopt a policy that supports increased longevity and reduced dependence on reactivity in foreign development. The widely accepted economic evaluation of aid is not only inaccurate but also detrimental to international development.

III. The Militarization of Foreign Aid

Increased pressure on aid agencies to deliver immediate and measurable results has culminated in added involvement of military troops in development efforts. Military intervention is seen as the most direct method of engaging with fragile states. However, by making development and military engagement synonymous, the international community is placing humanitarian efforts in an increasingly precarious situation. Canada’s military investment in the Afghan wars and subsequent development projects demonstrates the dissonance between effective aid and armed conflict.

a. Militarized Development: Afghanistan

The Islamic Republic of Afghanistan has been inundated by political instability and civil unrest since the end of British regime in 1919. Following the 9/11 terrorist attacks in the United States, the UN adopted a resolution to uncover and ameliorate terrorism in Afghanistan. The fall of the military Taliban regime in 2001 drove the nation into a decade of civil wars leaving Afghanistan with little remaining infrastructure, a corrupt governing power, and reduced economic growth. As a part of this mission, Canada assumed leadership of the Kandahar Provincial Reconstruction Team (PRT) in 2005. At the peak of Canada’s involvement, the CIDA was investing over $344 million per year to develop professional security forces and promote the rule of law in Afghanistan. Despite tremendous international efforts to increase stability and reduce poverty, Afghanistan sits at 169th out of 187 nations based on the OECD’s 2014 human development index rankings. Over a decade of military intervention has had little impact on the national poverty rate, which has little varied since the beginning of the Afghan Wars. Almost a decade after Canada’s initial counter-insurgency engagement, “Afghanistan remain[s] a fragile state characterized by weak governance, armed violence, an expanding drug economy, and low human development”.

Many of Canada’s development projects were components of the military’s counter insurgency plans, making development principles very difficult to uphold. Canada’s PRTs were professional military forces tasked with repairing and rebuilding mosques, schools, irrigation systems, and medical clinics in addition to counter-insurgency efforts. As a result, construction was often halted when Taliban fighters periodically returned to battle sites.

In another case, the Canadian military led a school development campaign in Kandahar that was un-
dermined by conflict when over 60 teachers employed at the school left to pursue higher paying jobs in the armed forces. Although these projects provide basic infrastructure and economic stimulus, as promised in Canada’s mandate, the manual labour jobs are usually short-term; as sustainable employment is difficult to provide under the constant threat of war. As a result, local Afghans are reluctant to engage with PRT projects as they place citizens directly within the line of fire. After officially pulling out of Afghanistan in 2014, Canada has further committed another $330 million to help support the Afghan National Security Forces through to 2017.

b. Delivering Aid in a Warzone

Historically, military groups were only given the role of securing geographical areas to allow for the safe delivery of humanitarian aid by non-militant organizations. However, the increasing militarization of aid has armed forces assuming both of these responsibilities. Military-administered aid programs have not proven to be any more efficient, effective, or responsive than non-militant. The militarization of aid reduces local engagement, undermines non-militant aid organizations, and creates the idea that violence is necessary for development. Military administered aid programs do not foster the same level of trust because civilians are inherently cynical about the intent of military agents. As a result, sustainable development efforts are never fully able to take root. This distrust for foreign intervention is transferred to non-militant aid organizations, undermining the perceived legitimacy of other development efforts. The presence of military forces in volatile communities creates the ideal situation for armed conflict, jeopardizing the lives of civilians, and leads to ineffective implementation of potentially sustainable solutions.

The amalgamation of military and aid spending makes it very difficult to achieve transparency in government finances and effectively evaluate the outcome of development initiatives. In addition, the purpose of military engagements is to circumvent the administrative powers of local governments to address the immediate security of civilians. Nipa Banerjee, former head of Canada’s aid program in Afghanistan, asserts that the CIDA supported projects that deliberately bypassed Afghan state institutions, effectively undermining the state’s ability to provide public services. In 2013, a United Nations survey found that the cost of corruption in Afghanistan is over $3.9 billion a year. Bribes are commonplace and regularly paid to obtain better government services or to influence political decisions. Military efforts do not address daily injustices, such as bribes, that are internally infringing upon the rule of law. Military efforts are an obstacle in supporting good governance as they create a direct corridor to civilians without addressing systemic government corruption. Thus, stability becomes dependent on the presence of international military forces and security is temporary and unsustainable.

In the past decade, deliberate attacks against aid workers have drastically increased. The rejection of foreign humanitarians is a byproduct of the militarization of aid, as it erodes the trust that local communities have in international forces. When aid is made synonymous with counter-insurgency strategies, aid agencies face increased risk in the areas where they work. The International Committee of the Red Cross (ICRC) demonstrates the value of independent humanitarian action with their successful efforts in providing polio vaccinations for children in southern Afghanistan. The ICRC worked with the Afghan Ministry of Health and the World Health Organization to negotiate the safe passage of health workers into the warzone under the understanding that the ICRC would always remain neutral in the conflict between the Taliban and Afghan security forces. Since 2007 the ICRC has also played the unique role of facilitating the handover of released hostages in Afghanistan. Peacebuilding operations of this nature require a neutral third-party, such as the ICRC, that intervenes on strictly humanitarian grounds.

IV. Grassroots Organizations

The current definition of aid effectiveness and the militarization of aid result in a largely ineffective response to global crises. The shortsighted nature of these initiatives results in little developmental progress or poverty reduction. Consequently, the active engagement of local communities is essential to increasing the longevity of development projects. Simply increasing the aid budget does not necessarily ensure the success of these projects. However, grassroots organizations, that are crafted and implemented by local people, offer insight on other sustainable development possibilities.

a. Locally Designed and Delivered Solutions: Peru

Peruvian life has been characterized by widespread malaria since the 1500s when Spanish conquistadors arrived, spreading the disease to the indigenous Inca population. For the past century, Peru’s history has been marked by endemic malaria and recurring epidemics, in spite of active prevention programming. A major Amazonia epidemic occurred in 1932 affecting the province of Cuzco in the territory of native Machiguenga tribes. Recent deforestation, road construction, and record high rainfall created many stagnant water pools; the ideal breeding ground for mosquitoes, the main carrier of malaria. Furthermore, the epidemic spread rapidly along waterways, aided by the movement of workers returning to the Andes Mountains following the yearly harvest. Public health response was slow, as the central government was largely disconnected from the Amazon. At the time, the National Health Board was leaderless; making aid staff difficult to deploy amidst corruption accusations and widespread political instability. The health professionals that were eventually sent to the inflected areas were unable to speak the native Quechua in vulnerable Machiguenga communities. By May 1934, over 60 percent of the native population had become infected with malaria.

The division created by the Andes Mountains further complicates disease prevention. The Pacific Coast and the Amazon Peruvians have both developed partial immunity to different malaria vectors. During the initial outbreak in 1934, malaria prevention programming included the distribution of chemical insecticides, mosquito nets, and bug repellents. Since the 1970s, a number of species of malaria carrying mosquitoes have developed resistance to the most commonly used insecticide. Alternative insecticides have proven to be too expensive for widespread use. Malaria has reemerged as a modern day challenge to Peruvian public health. New location specific and cost effective prevention strategies are needed at a local level to ensure the successful reduction of malaria cases.

In the last two decades, Peru has been recognized for its unique approach to malaria prevention programs, based on research led by Peruvian microbiologist Palmira Ventosilla. From 1992-2004, the International Development Research Center (IDRC) has played a key role in supporting Ventosilla’s research efforts on the cause, prevention, and treatment of malaria. In the early 1990s, Ventosilla debunked the common assumption that Andean Peruvians had a racial weakness to malaria. In the rare cases where workers infected with malaria were able to afford treatment, the treatment would seldom be completed as the lack of health education meant that many Andeans would stop taking medication upon seeing health improvements.

Canadian investment in Ventosilla’s research allowed her to work directly with various coastal communities to develop an inexpensive method of inoculating a naturally occurring bacterium, bacillus thuringiensis israelensis (Bti), which kills mosquitoes in their larvae stage. Bti is a naturally occurring bacterium that is harmless to livestock and humans and has proven to be an effective malaria prevention method in other countries. Ventosilla’s method of cultivating Bti within native coconuts was remarkably simple and

cost-effective. The research team was able to engage the community in this prevention process and increase health awareness and education among local Peruvians. Although it was initially difficult to convince a largely uneducated population to move away from the ineffective pesticides and towards the coconut method, the Peruvian research team was able to engage local schools in the education process. As a part of the implementation process, school-aged children were engaged by lessons in the lifecycle of a mosquito and the spread of malaria in Peru, in order to make them the prime advocates for the coconut method. As a result, malaria rates in the nation have been steadily decreasing since 1999.

b. Thinking Globally, Working Locally

The Canadian Government created the IDRC to support promising researchers in developing countries. The IDRC’s unique approach to international development “is guided by the straightforward idea that qualified researchers who live with the challenges of development are in the best position to explore solutions to the problem”.

The work of Ventosilla’s research team in Peruvian communities is a clear example of how the volume of foreign aid is not the sole indicator and cause of sustainable solutions. Although international intervention and assistance is, in many cases, necessary to support progress in developing nations, it is rendered less effective when driven by international assumptions rather than the experience of citizens. The top-down approach to foreign aid, where resources and information are funneled through numerous levels of administration, fails to address the immediate and longstanding needs of impoverished communities. The modern understanding of foreign aid creates a dichotomy between the developed and the developing. The idea of providing help to one group inadvertently gives authority to the donor country. By facilitating an atmosphere of “us” and “them”, foreign aid becomes counterproductive and fails to empower the local populous.

Effective aid is about investing in the right place and people, shifting society’s expectations of what foreign aid should look like. Local initiatives are often more successful in producing sustainable solutions because they capture the attention and commitment of the targeted population. In societies where citizens have a limited voice in government decisions, such organizations serve as a non-violent means of inciting change. In 2000, local Adivasi women protested against the newly established Coca-Cola bottle plant that was extracting millions of litres of clean water from Plachimada. Their protest unleashed a national and global wave of support. The women were eventually successful in filing a public interest litigation against Coca-Cola, and their claim to the water in Plachimada. Grassroots initiatives are able to provide services when governments fail to deliver and where foreign aid cannot reach. A mandate that is created by the people and for the people, empowers impoverished communities to actively seek progress and reduce the need for foreign intervention.

Although grassroots organizations have the potential to achieve long-term, sustainable results, they also have limitations. Such organizations often operate without government support and have limited funding. Even if they are able to capture the attention of the nation, grassroots organizations often lack the resources and experience to address issues on a structural level. Foreign aid invested in financially supporting local initiatives can allow groups to expand their operations and reach a wider audience in the long-term. As successful local initiatives grow and progress, increased organization and knowledge is required to bring about gradual and peaceful change.

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International efforts like the IDRC, that focus on providing the opportunities that communities need to obtain a greater understanding of global issues, support long-term headway in development projects. Foreign support for education, learning, and research,
is the true mechanism for poverty alleviation and development. Increased awareness and knowledge is the single most important means for a country to achieve development goals and the common assumption that the developed world enjoys a monopoly on this knowledge “does not lend itself easily to solving the perplexing problems associated with poverty in the developing world”. Supporting the proliferation of knowledge at the local level can expand potential of grassroots organizations to explore sustainable long-term solutions.

V. Future of Canadian Foreign Aid Policy

Canada’s commitment to foreign aid has undergone major alterations in the last decade in response to shifting national and global priorities. As one of the world’s most established economic powers, Canada has the resources and capacity to continually look towards improving its international development initiatives.

a. Policy Coherence for Development

In 2007 Canada committed to increasing policy coherence for development (PCD) as outlined by the OECD’s Development Assistance Committee (OECD-DAC). The OECD-DAC is encouraging greater inter-donor coherence in order to reduce fragmentation of development efforts and build stronger international partnerships. Canada has followed-up on this commitment by combining the CIDA and DFAIT to form the DFATD in an effort to enhance intra-country coherence.

Although Canada’s intentions are consistent, the DFATD lacks a formalized operating framework. The Canadian government has failed to release any official documentation outlining a formal approach to foreign aid over the past decade. There is currently no official policy outlining how competing economic and development goals will be cohesively addressed. As a result, the merging of the CIDA and DFAIT could result in decreased development spend-


b. Informed Selectivity

In the past, CIDA adopted thematic and geographical priorities in order to focus aid on fewer countries and allow for more consistent aid delivery. Focus countries are determined based on their economic need, ability to benefit from aid, and the extent to which they are aligned with Canadian foreign aid priorities. However, there is no evidence that simply reducing the number of focus countries will increase aid effectiveness. Frequent shifts in Canada’s...
priority themes challenge a development agency’s ability to develop expertise in a specific field. Foreign aid programs are not given sufficient time to gather enough information to understand the situation of a community and work with the recipient country to develop uniquely designed and delivered solutions. A geographical focus also presents many problems, as poverty is very much a global issue and one nation’s decisions can affect another nation’s well being.

Overall, the DFATD should be actively engaging in research and pursuing a greater understanding of the programs and participating nations. The framework of the DFATD must outline a research process that can determine the expected outcomes, obstacles, cost, and duration of foreign aid commitment. Increased donor-recipient coherence is essential to gaining a greater understanding of the foreign situations committed to by Canada. By increasing donor-recipient coherence, Canada can evaluate the potential of recipient nations’ governments to take appropriate action, or if the aid money would be better invested in grassroots organizations. Harmonization of research efforts with other nations will allow each group to focus their efforts on specific thematic goals while still maintaining a holistic approach to development. In selecting areas of focus, Canada must make a significant effort to understand the situation of multiple recipient nations. The limitations of Canadian foreign aid policy must also be acknowledged, instead of simply reducing the number of recipients. Increased information and international cooperation will allow Canada to provide more effective solutions for social justice issues in receipt nations.

c. Improved Transparency

Policy transparency is essential as it ensures the accountability of government actions, maintains public interest in international goals, and supports effective PCD on all levels. At the 2011 4th High Level Forum on Aid Effectiveness, Canada announced its compliance with the International Aid Transparency Initiative.\(^{47}\) Improvements in transparency forced the CIDA to be more accountable for tied aid practices and resulted in the elimination of many tied aid programs. If the DFATD communicates more than just the monetary spending figures to Canadians, the government can facilitate a deeper understanding of long-term


foreign development goals. By communicating qualitative results in addition to quantitative evaluation, the DFATD can combat society’s fixation on immediate results, and demonstrate that taxpayer dollars are being invested in the right places. Establishing such definitions and making this information available to the general populous can reassure Canadians that foreign aid dollars are being spent effectively and are not being buried by economic, diplomacy, or military goals.

VI. Conclusion

The recent amalgamation of the CIDA and the DFAIT provides Canada with a unique opportunity to change the way it views foreign aid and subsequently creates policy measures. The creation of the DFATD has compelled Canadians to critically evaluate government aid spending. Upon further inquiry, it is clear that aid effectiveness is far more complicated than comparing actions and results. Widely accepted economic evaluation methods do not provide an accurate picture of developmental efforts and also place pressure on aid agencies to deliver results quickly. The increased militarization of aid has proven to be largely ineffective and has undermined the credibility and legitimacy of recipient governments and donor organizations in the public eye. Supporting grassroots organizations and facilitating development through the medium of local citizens can empower people to engage in change and establish long-term practices focused on alleviating global poverty.

Although increasing government spending does not necessarily warrant greater success in humanitarian efforts, slashing the Canadian international development budget is certainly not the solution either. The prevailing assumption is that the suffering of other nations is outside our sovereignty and is an optional concern. However, movements towards internationalism and globalization demonstrate that the world suffers collectively from issues of poverty, and all nations hold responsibility in facilitating peace and prosperity. Poverty must not be made synonymous with incompetence or helplessness, and foreign aid is a largely imperfect resolution. However, the international community must approach aid as the best available solution, and take individual ownership on global issues. Future Canadian foreign aid policy must establish a clear operating framework that demonstrates increased policy coherence, informed selectivity, and improved transparency in order to be effective and sustainable.