

**THE McLEOD GROUP**  
**POLICY BRIEFS ON INTERNATIONAL DEVELOPMENT ISSUES**  
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*Working to strengthen Canada's contribution to a better world*

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## THE McLEOD GROUP

### POLICY BRIEFS ON INTERNATIONAL DEVELOPMENT ISSUES

In the lead-up to the 2015 federal election, the [McLeod Group](http://www.mcleodgroup.ca) produced a series of policy briefs on international development issues that confront Canada and Canadians, with recommendations for the new government. These are summarized here with links to the papers in question. They are also available in English and French on the McLeod Group website at <http://www.mcleodgroup.ca/mcleod-group-resources/policy-briefs/>.

Following an overview, the summaries are clustered under three headings:

- **Broad Issues:** Canada and the UN, human rights, climate change, humanitarian action, innovation, and small and medium enterprise development;
- **Controversial Issues:** corruption and terrorism;
- **Issues of Engagement:** focus, civil society, youth, diaspora communities, development finance, and the extractive sector.

### [A DEVELOPMENT POLICY FOR CANADA: OVERVIEW](#)

Poverty reduction is still today's premier global challenge, now embodied in the newly approved UN Agenda 2030 for Sustainable Development. Statistics are deceptive, but however presented they indicate more than a billion live in extreme poverty. Ending poverty is not just a UN goal; it is at the heart of Canada's *Official Development Assistance Accountability Act* (2008). Ordinary Canadians see ending poverty as the right thing to do. Development demands that people be healthy, educated and adequately fed. They also need jobs, peace and justice. It is in Canada's long-term self-interest as a global actor to meet those goals... and soon.

However, for more than a decade, Canada has been a diminished actor in global development. Our official development assistance (ODA) level has fallen and its focus has been distorted by short-term commercial and political goals. Meanwhile, our world has changed with new emerging economies and more inclusive geopolitics. Partnership and country leadership are the jargon of the day, but far from reality, especially now that CIDA has been swallowed up by our foreign affairs and trade ministry. A lot of the policy talk is about the foreign private sector filling the development gap, but multinationals have their own profit-driven agendas; most of their investments are in emerging economies and the poorest, the least developed, are largely ignored.

Canada needs a 21<sup>st</sup> century framework for delivering development cooperation. The goal of policy coherence is appropriate for Canada in a world of partnership. However the present hastily and ill-motivated merged structure is a poor answer. It is a one-way street. Policy

coherence needs to provide for two-way traffic. For example, trade policy should be framed while thinking about the implications for poverty reduction. Development cooperation is not just about people in other parts of the world. It is also about *our* future: developing countries with healthy populations earning fair wages should be new markets, while failed states are the breeding ground for the terrorism that many Canadians fear.

To be better global citizens, we need a clearer commitment to strengthening development cooperation. This needs leadership from a strong cabinet level minister who has the direct support of the prime minister. We need a foreign policy committed to building a strong relationship with the Global South. We must see development cooperation as a key part of our future, not just as a charitable act or a vehicle for coping with disasters.

We need a reconfigured development cooperation institution at the heart of government. It should again have an identifiable face for Canadians to be proud of. It needs to recognise risk-taking is an intrinsic part of good cooperation. Civil society should again be a key partner. The new government needs to think hard and soon about whether the present DFATD merger can be reprogrammed to be a real partnership of equals among the various parts, or whether it should demerged, with a development ministry modelled after Britain's Department for International Development (DFID). This is urgent because to enable Canada to respond to the global challenges, including climate change, we need to recognise, and then quickly resolve, the lost skills and managerial gaps that have emerged in a demoralised and perversely motivated staff.

### **What the new government should do in its first 100 days**

1. Signal change to Canadians: restore the globally credible name of CIDA, Canadian International Development Agency, inside or outside the merger.
2. Appoint a Cabinet-level cooperation minister who reports as an equal, directly to the Prime Minister, not via the Foreign Minister.
3. Despite budget constraints, commit publically to a longer-term path to 0.7% of gross national income. Use the first budget to restore funding to the recent (2010) high of 0.34% of GNI.
4. Announce a stronger pro-poor commitment by promising a new priority country list of which at least 70% would be least-developed countries receiving at least 50% of the budget.
5. Recommit to policy coherence for development, making it clear this is about an improved two-way process of interdepartmental policy dialogue, not today's co-opting of scarce foreign aid for political or commercial goals. Launch a consultative review about retaining the merger or not. Foster greater development cooperation professionalism in staffing, especially senior management.
6. Accept that development cooperation is intrinsically risky and that accountability is about delivering results for the poorest, not about increased paperwork and excessive bookkeeping.

7. Carry the message of seeking broader partnerships, especially with emerging economies, to the Paris climate change conference in December. Open a dialogue with the UN on enhanced multilateralism, notably on how Canada can most effectively support Agenda 2030.

More comprehensive proposals are listed in the closing section of [Policy Brief #1, Development Cooperation for a New Canadian Government](#) and a [Mandate Letter](#) blog.

## SECTION I: BROAD ISSUES

### 1. [RE-ENGAGING WITH THE WORLD: CANADA'S TO-DO LIST AT THE UN](#)

The Harper government went out of its way to ignore, bypass and denigrate the United Nations, proclaiming that we “can go it alone.” But can we? Canada’s dismissive position on the UN has not only been irresponsible, it has caused great harm to our reputation and influence.

The United Nations is not optional. Canada, along with every country in the world, is a member, and has participated in the creation and governance of all of its institutions. It is *the* forum in which we engage with all world players, influence the outcome of world events, and participate in discussions and decisions which are fundamental to global security and to our own wellbeing and self-interest. When things don’t work, it is because member states fail to agree on solutions or to commit the resources required.

The list of what Canada needs to do to re-engage is all encompassing, highlighting the extent of our neglect of international cooperation in all fields:

- Human rights: sign and ratify critical treaties or amendments on Arms Trade, Children’s Rights, the Rights of Persons living with Disabilities and the Convention against Torture.
- Peacekeeping: recognize significant reforms, contribute to complex integrated peacekeeping missions and headquarters support, both military and civilian.
- Climate change: Go to the Paris Conference with a bold domestic and international policy, and support developing countries to adapt their technologies.
- Development, humanitarian and peacebuilding: rescue our slipping ODA budget (now at 0.24% of GNI), support the Sustainable Development Goals, refocus on poverty reduction and fragile states, and provide new monies for expanding humanitarian and peacebuilding needs.
- Women’s rights and gender equality: recognize that economic recovery in the poorest countries rests on the advancement of women, restore assistance to reproductive rights as integral to maternal health.
- Peace and security: show up at the negotiating tables rather than unsuccessfully “going it alone” and participate in finding sustainable solutions.

- Reform of the UN: participate in the current reform exercises on peacekeeping and peacebuilding, and contribute the resources needed.
- Security Council: let's earn our stripes and then try for the Security Council in 2020.

## **2. CANADA, HUMAN RIGHTS AND THE UNITED NATIONS**

In recent years, the behaviour of the Canadian government in United Nations deliberations on human rights has badly eroded our country's reputation. Canada not only acts in disregard of human rights, it adopts a bullying, self-righteous demeanour, positioning itself against the UN system.

Canada has traditionally enjoyed a strong record in negotiating and ratifying UN human rights treaties. Recently, however, that has come to a near standstill. We cannot expect or press other countries to do the right thing until we do it ourselves. However, signing and ratifying treaties and conventions is only the beginning.

Human rights protection is all about implementation. Without it, the international human rights system is little more than a house of cards and empty promises. If Canada is serious about international human rights, one of the most important contributions we can make is to live up to international obligations.

### **Ways Forward: Six Important First Steps**

- Treat United Nations human rights institutions and processes with respect. Win back the leadership role Canada once played in the UN community.
- Stop dithering on the Arms Trade Treaty. Ratify it and then begin pressing other countries to do the same.
- Sign and ratify the UN Optional Protocol against Torture, as 76 other countries have done.
- Reconsider the Canadian position on UN conventions and protocols on indigenous people, enforced disappearances and migrant workers.
- Welcome to Canada UN Special Rapporteurs and other representatives of UN human rights review processes. Regardless of whether their recommendations are accepted, respond to them and make any follow-up action public. Make Canada an example for the world in taking these processes seriously.
- Bring together human rights ministers from across the country and work with them to chart a better course for Canada.

### 3. CANADA AND GLOBAL CLIMATE CHANGE

The Harper government turned the policy inaction of previous governments into active hostility towards any serious reduction of greenhouse gas (GHG) emissions. Today, Canada's international reputation on climate change is at a well-deserved rock bottom: In 2012, our emissions were up 18% over 1990 levels. We are the only OECD country without a clear set of policies to deal with GHG emissions as a whole. We act in international negotiations in ways that slow progress.

In addition, by waiting for larger polluters such as India and China to take action, Canada is saying to developing countries that their industrialization, job creation and poverty reduction efforts have to be slowed down because of Northern energy self-indulgence. However, recent Chinese and Indian announcements have pulled the rug out from under this position.

To make matters worse, the promised incremental aid to alleviate some of the cost of adaptation for poorer developing countries has not materialized. Canadian intransigence is having an impact that extends beyond our international reputation to the Canadian economy:

- Energy exports, which currently make up 24% of our export earnings, are threatened in various contexts because of our inaction on climate change;
- We risk potential retaliation in the form of border tax adjustments imposed by countries with substantive GHG emissions policies;
- There are lost opportunities in clean technology exports.

#### **What can be done?**

The first thing is for government to recognize that climate change is an issue where our foreign policy is really a matter of acting *within* our borders. For now, provinces are leading the way: British Columbia introduced a carbon tax in 2008. Ontario introduced a Feed-in Tariff as part of its *Green Energy Act* in 2009. Alberta introduced a carbon offset system in 2007.

Key areas for federal government action include:

- Setting short, medium and long-term goals limiting warming to 2°C above pre-industrial levels;
- Setting a carbon price at the federal level;
- Using other parts of the fiscal system to create incentives to shift to low-carbon energy.

Finally, Canada could make an important contribution to long-term climate financing by improving on its past 'fast start financing' to assist developing countries to adapt and mitigate the effects of climate change – provided that this funding is *new and additional*, not just a reallocation of currently scarce aid dollars.

#### **4. GENDER EQUALITY**

Once recognized as a world leader in the promotion of gender equality, Canada's reputation was squandered during the Harper years. Nonetheless, Canada can play a useful role in the following areas:

- Provide management advice and core financial support to UN Women – the United Nations Entity for Gender Equality and the Empowerment of Women.
- Expand Canada's Maternal, Newborn and Child Health efforts to invest in sexual and reproductive health services, especially family planning, and encourage other countries to give priority to increasing women's autonomy through access to methods of family planning. DFATD should also restore core financial support the UN Population Fund (UNFPA) and the International Planned Parenthood Federation.
- Announce a reinvestment in decentralized Gender Equality and Human Rights Funds in recipient countries and regions to support local and regional civil society organizations working to advance equality between women and men.
- Expand research on gender discrimination in such areas as technological and labour market changes; disseminate existing research on how women's participation contributes to peacebuilding, economic development and sustainability; and document best practices which include men and boys in order to build positive gender relations.
- Ensure that all Canadian development cooperation investments are gender intelligent – that they proactively measure the impact of Canada's interventions and take remedial action to even the playing field for girls and women.

Leadership in promoting gender equity would mean fundamental changes in how DFATD operates. A first step should be reconstituting the Gender Equality Division to ensure that gender equality is prioritized across the operations of the whole department, and to develop institutional supports and incentives to make this happen. This would mean, for example, that trade decisions should also be subject to a 'gender equality lens'. There is also a need to create gender equality expert/advisor positions to provide technical advice and support to trade and foreign affairs structures.

Finally, DFATD needs to strengthen partnerships with Canadian and international civil society organizations that work to advance gender equality. Start by developing gender equality proposal calls in such areas as: advancing women's human rights; reducing forced or child marriage; preventing violence against women and girls; dealing with women's rights in situations of conflict; and promoting women's economic empowerment through inheritance, land rights, skills development and investment in women-owned businesses.

## **5. CANADA'S HUMANITARIAN ASSISTANCE**

Humanitarian aid is the most visible form of foreign aid, provided in response to natural disasters and emergencies related to conflict. Provided by countries, UN agencies and civil society organizations (NGOs), it is designed to meet the immediate needs of the people affected by these events. Recent event examples are the Ebola epidemic, the Haiti and Nepal earthquakes, and the protracted crisis in Syria.

To be effective, Canada needs a national humanitarian assistance strategy that provides a framework for coordinating the work of government agencies, NGOs and even the private sector, while respecting the principles of humanity, neutrality, impartiality and independence.

This strategy, developed through a consultative process with all stakeholders, should:

- Recognize that different stakeholders have different capabilities in delivering humanitarian assistance. For example, NGOs are often already present, working on development projects with local partners in the affected countries, with networks that can be adapted to deliver emergency aid. Meanwhile, the military has important assets such as aircraft and vehicles that can help deliver supplies and shelter. The private sector has knowledge and technology that can support rapid humanitarian response. All actors should coordinate their assistance with each other to ensure optimal contribution.
- Recognize the specific needs of women in humanitarian crises, in their roles as heads of households, as particularly vulnerable displaced persons and, in conflict-related emergencies, as targets of gender-based violence.
- Acknowledge the growing risk from extreme weather events and provide for more investment in resilience, through disaster risk reduction measures.
- Allocate funds on a multi-year basis to help leading multilateral agencies and NGOs build their humanitarian response capacity.
- Publish an annual report on the national humanitarian response efforts, including the work of civil society organizations and others, so that Canadians can understand the complete spectrum of action taken on their behalf. This report could also highlight the evolving nature of humanitarian assistance and the challenges faced by government and other agencies delivering assistance.

## **6. INNOVATION AND DEVELOPMENT**

'Innovation' has become a catchword in the field of international development. Divorced, however, from an understanding of its first cousin, failure, and undifferentiated from the concept of invention, innovation in policy terms has become largely meaningless. Worse, experiments among the poor, applied without great care, can result in hidden but very serious human cost.

Six things are essential in a responsible approach to innovation:

- Innovation should be clearly distinguished from invention. Invention has its place, primarily in limited and clearly designated research projects.
- Innovation should focus on the challenge of taking successful inventions to scale.
- Expectations in funding for invention must be realistic; failure should be anticipated.
- Failure must be acknowledged, embraced, understood and documented in ways that advance learning and avoid repetition.
- Innovations that affect the lives and livelihoods of poor people must be introduced responsibly and with safeguards that protect them against failure.
- Innovation and responsible innovators must be encouraged in ways that go beyond platitudes. They must be protected from funders' proclivity to punish failure and rush on the Next Big Thing.

## **7. SMALL AND MEDIUM ENTERPRISE DEVELOPMENT**

Small and medium-sized enterprises drive local economic growth everywhere on the planet. From Afghanistan to Zimbabwe, small businesses can provide good livelihoods and, often enough, pathways out of poverty for their owners and employees, as well as their families, sometimes even the communities they live in.

Where development cooperation is concerned, being pro-business doesn't mean using aid to underwrite the costs of Canadian companies operating abroad. We already have Export Development Canada and other trade promotion programs for that. Instead, it should mean strengthening small and medium enterprises (SMEs) in developing countries in ways that advance the interests of people on the margins of their societies.

### **What Canada Should Do**

- Stop using Canadian aid dollars to boost Canadian companies operating abroad. Building the private sector in developing countries is important, but this is not the way to do it.
- Expand and speed up support to SMEs in developing countries, especially at the margins, through programs with local banks, governments and NGOs that provide access to inputs and markets, business advice, market intelligence, training and finance, especially to small business owners who are women, youth, members of minority groups, or disabled.
- At the same time, support programs that provide incentives to big and medium-sized local companies to source some of their goods and services from SMEs operating at the margins.

- Boost grants to national government programs that assert the rule of law and uncover and prosecute corruption and crime in relation to SME development.
- Continue to catalyze capital pools that blend private, public and third-sector funds that target equity and debt investments in SMEs at the margins, in order to achieve high social impact and good financial returns at the same time.
- To improve the scattered and partial knowledge base on small business, Canada should fund, compile, analyze and publicize findings from diverse SME models across different contexts, becoming a go-to source of information for governments, support organizations and SMEs themselves.

## SECTION II: CONTROVERSIAL ISSUES

### 8. CORRUPTION AND DEVELOPMENT

This policy brief deals with three questions: 1) How bad is corruption in developing countries? 2) How does it affect aid programs? 3) What can be done to reduce it?

The Canadian government and civil society organizations can reduce the possibility of corruption in aid programs by getting to know the people and organizations they work with. This can best be done through continuity in programs and in the personnel who work on them. There is no substitute for historical, cultural and contextual knowledge, and partnerships that are built on mutual understand and trust. Canada can also help to reduce corruption by:

- Avoiding the temptation to provide aid for political and commercial reasons. Canada's *ODA Accountability Act* requires development assistance to contribute to poverty reduction. This should come first and foremost.
- Strengthening investigative capacities and penalties related to Canada's *Corruption of Foreign Public Officials Act*. Canada has been criticized by the OECD and Transparency International for its weak enforcement of this 1999 law.
- Continuing and increasing Canadian support for the UN Office on Drugs and Crime, which has a strong anti-corruption and asset-recovery mandate.
- Promoting democracy and transparency by supporting civil society and the media in monitoring public expenditure, and developing government capacity to manage open public accounts committees.
- Promoting improved governance more directly with willing partners.
- Promoting transparency in Canada's own dealings with the governments of developing countries and through initiatives like the International Aid Transparency Initiative.
- Supporting the work of organizations like Publish What You Pay, which promotes transparency in the extractive sector.

- Playing a more meaningful role in the Extractive Industries Transparency Initiative. Canada is not yet an EITI Compliant Country; it is merely a ‘supporter’.
- China is becoming a major contributor to and supporter of corruption, especially in Africa. Canada’s foreign and aid policies should be developed in concert with OECD partners to counter this growing threat to good governance.
- The Canadian government has threatened to bar Canadian companies from procurement contracts here for proven bribery and corruption abroad. The powerful corporate backlash suggests the need for a contractual prohibition against bribery by procurement-seeking companies anywhere in the world, along with a clear, due-process adjudication framework.

## **8. TERRORISM AND DEVELOPMENT**

Part of the difficulty in accepting a correlation between terrorism and development is the narrow preoccupation that Western governments have with their own immediate security, the proclivity to see counter-violence as the solution, and their failure to see how decades of deep-seated poverty, bad governance and violence affecting other people have a bearing on the future peace and security of the West. You don’t need a subscription to *Time* magazine, however, to know that most terrorist acts occur or are planned in poor countries.

What follows is not an alternative to the military force that may be required to deal with terrorism. It is a set of recommendations aimed at dealing with some of the conditions that produce it:

- Shift focus from the fear-generating, counterproductive immediate concerns (‘How can we make it safer for Canadians?’) to broader considerations (‘How can Canada contribute to making the world a safer place?’).
- Much, much greater attention needs to be paid to increased and more effective development cooperation, especially in the poorest and most fragile states, the ‘ungoverned spaces’ that are so attractive to transnational terrorism. A billion people live in absolute poverty, and almost three billion live on less than \$2 a day. This represents a series of increasingly dangerous, ticking time bombs.
- The instrumentalization of development assistance for commercial and military purposes should end. It is wasteful, counterproductive and usually ineffective. Other vehicles exist for commercial and military advancement.
- ‘Capacity building’ can be an important Canadian contribution to better governance and improved security in many countries, but such efforts require objective evaluation, transparency and competent public oversight.
- Soft power (diplomacy, elements of Canada’s erstwhile ‘human security agenda’, the Responsibility to Protect) has an important complementary role to play in a coordinated and coherent approach to security.

- Counterterrorism measures present civil society with new and counterproductive problems. Ease up on the increasingly draconian regulations and restrictions that make humanitarian response in conflict zones much more difficult and more dangerous than necessary.
- Time is an important factor in all of this. Reactions to immediate security threats can obscure the need for historical perspective, long-term partnerships and a steady commitment to an improvement in the climates that incubate insecurity, violence and terrorism.

## **SECTION III: ISSUES OF ENGAGEMENT**

### **9. A QUESTION OF FOCUS**

A major preoccupation of aid efforts over the past decades has been to better focus them. The idea is that reducing the number of countries or limiting priority areas can result in improved aid effectiveness. The idea was embraced by the Chrétien and Martin Liberal government and the Harper Conservative government.

There are, however, problems with the idea that focus will lead to better development outcomes. For instance, identifying priority areas is contrary to the idea that aid be demand-driven, which is another principle for achieving greater aid effectiveness. A major concern is that countries are selected not because they are the neediest, but because they meet Canada's trade and investment priorities. Changes to the list of 'countries of focus' in 2009 and 2014 were criticized for adding countries considered key trade and investment partners.

In short, Canada's approach to focus has serious problems. While there is evidence that the Harper government did not even follow its own plan (spending only 39% in targeted countries in 2011 rather than the targeted 80%), this approach to focus may actually reduce aid effectiveness. In addition to abandoning the poorest, there are also the challenges of inconsistency and unpredictability, are also harmful to aid effectiveness.

Consistency and predictability are essential, in the choice of both sectors and countries. The list of countries of focus needs to include the poorest countries as well as fragile states. Selection processes should also take into account where other donors are spending their money – there is a balance to be found between 'aid darlings' and 'aid orphans'. Aid money should be spent on sectors that will most clearly contribute to poverty reduction. This form of geographic and sectoral focus would be consistent with the principles of the *ODA Accountability Act*.

### **10. CANADIAN CIVIL SOCIETY ORGANIZATIONS**

Civil society organizations (CSOs) seek to bring about positive social and environmental change. In pursuing these goals, they complement the work of government, providing services,

alternatives and innovation. They also play important roles as advocates, educators and watchdogs.

In Canada the underlying model for charitable organizations remains rooted in a 19th century view: that charities are meant to provide services to the poor and disadvantaged, supported primarily by private philanthropy. However, the sector is also fundamental to citizenship and democracy, builds community, is a social innovator and a force in economic development. The narrower vision is reflected in Canadian charitable law and its interpretive regulations which allow Canada Revenue Agency (CRA) officials damaging discretion.

The Harper government moved to limit the work of Canadian CSOs. It reduced or eliminated the space for policy dialogue between civil society groups and government departments, smeared the reputation of environmental organizations and blurred the line between what is unacceptably political and what is legitimate advocacy in pursuit of an organization's charitable purpose.

Canadian organizations working in international development were among the first victims of the Harper government's attack on charities. A number lost their government funding. Several have undergone arduous and costly political CRA audits or have been obliged to narrow their charitable purposes.

In 2014 the Minister of International Development created a consultative process to develop a Civil Society Partnership Policy. The policy was released in February 2015 and provides a welcome blueprint. It incorporates many important and long-established ideas on the role and importance of CSOs. However, it will take an enormous effort to turn it into reality.

There is a great deal of work to be done to repair the damage of the last decade and rebuild the relationship between the federal government and international development CSOs.

Key challenges include:

- Understanding that implementation of the new policy is a matter of urgency;
- Bringing Canadian charitable regulations into the 21st century and using them to *enable* rather than *restrict* the voice of CSOs in pursuit of their charitable objectives;
- Validating the role of Canadian CSOs as an independent and legitimate part of Canada's international development effort and welcoming their contribution to policy development;
- Reducing or eliminating the enormous volumes of red tape that have turned government funding mechanisms into expensive and sluggish nightmares of bureaucracy.

## **11. CANADA AND THE WORLD: ENGAGING CANADIAN YOUTH**

If Canada is to play a meaningful role in implementing the United Nations Sustainable Development Goals (SDGs), greater emphasis will have to be placed on developing the next generation of Canadian leaders, people who can work across borders, cultures, languages and values. Finding new and effective ways to engage youth and young adults in global issues will be a key part of this challenge.

Current models of youth and young adult engagement are heavily focussed on 'giving or going'. The giving model uses forms of fundraising and enthusiastic pep rallies to inform Canadian youth about the work of non-governmental organizations (NGOs) and to elicit support. The going model sends people overseas on long- and short-term volunteer postings, youth exchange programs, internships, work-study programs and the like. Both models have their limitations.

It is time to change the channel from giving and going to a more holistic and coherent approach to youth engagement. Young people care about important issues once they are cognizant of the problems, can identify a clear link to their lives and interests, and have found a platform which enables them to act.

### **What's Missing?**

- Coordination between Canada's long-term global development priorities and our provincially run educational systems.
- Programs that encourage young Canadians to challenge simplistic ideas about development and make connections between the local and the global on issues that concern them such as the environment and jobs and how these relate to Canada's role in the world: our trade, security and human resources policies.
- Programs about Canada's role in the world that treat high school and university students as future leaders rather than excitable fundraising targets.
- Banning matching government support for NGO fundraising that perpetuates negative stereotypes.
- Opportunities for young Canadians to engage in intelligent policy dialogue with Canada's international development community, including the federal and provincial governments, civil society, the research and academic communities and the private sector.
- Efforts to engage young people with diverse backgrounds, especially diaspora and First Nations communities.
- Programs that encourage more and better media coverage of development issues for young Canadians.

## **12. DIASPORAS AND DEVELOPMENT: A CAUTIONARY NOTE**

Among OECD member states, Canada is home to the fastest growing population of immigrants and, as a result, of ‘diaspora communities.’ Involving diaspora communities in foreign and development policy and programs is currently seen as an innovative way to engage new and influential actors in a world that is shifting away from traditional models of governance. Such an approach, however, needs to be addressed with caution and understanding.

While diaspora communities can undoubtedly contribute in meaningful ways to Canada’s international development efforts, saying so does not make it so. Diaspora communities cannot be taken for granted in terms of the economic, intellectual or political roles they can or do play.

- It should not be assumed that all or even most diaspora communities want to be involved in Canada’s international policies and programs.
- Any policy-related engagement with diaspora groups must be designed strategically and geared towards a broad demographic, with different contexts, cultures and socio-economic backgrounds. A universal approach to diaspora engagement is unlikely to be successful.
- Engaging with diaspora youth in Canada, both those born here of immigrant parents, as well as those who have recently migrated, can be important in enhancing Canada’s long-term international goals.
- Much more research is needed into how diaspora groups can enhance Canadian development interests overseas. This must be part of an inclusive process that sees these groups as Canadian citizens with unique potential and knowledge, and as members of communities with diverse and sometimes contrary views on Canada’s international engagement. Treating them as an ‘asset’ to be ‘harnessed’ as part of Canada’s foreign policy is unlikely to yield positive results.

## **13. THE EXTRACTIVE SECTOR AND DEVELOPMENT**

One of the most controversial issues facing Canada is its role in the booming extractive industries of the developing world. A rich country, but in many ways still a metaphorical hewer of wood and drawer of water, Canada has become an important player in the fast-growing global trade in minerals, and is today a mining superpower.

Controversy, however, stalks this issue. The commodities boom has been accompanied by an upsurge of anti-mining protests throughout the developing world, and Canada-based corporations are often the target, embroiled in costly and damaging scandals over biodiversity, clean water and animal habitats, for engaging in corruption, environmental destruction and human rights abuse, running roughshod over local laws and supporting unsavoury despots. Too often the issue of good practice by mining companies operating abroad – whether Canadian or otherwise – has been reduced to well-meaning but tokenistic acts of corporate social responsibility. Canada’s role should be about much more than that.

1. Canadian aid should not be used as a promotional tool for Canadian commercial interests. Canada can certainly contribute to the creation of a secure, stable and predictable playing field in the extractive sector. It can help build secure investment environments, good and consistent policies on environmental protection, labour rights, occupational health and safety, land tenure and rule of law. But if development assistance is used to promote Canadian commercial interests, credibility will evaporate and the potential will be lost.
2. A strategic vision is required for the near, medium and longer terms. Short-term grab-and-run tactics may work in some places, but they cannot be the standard to which any company or country aspires in the longer term.
3. Many of Canada's biggest extractives companies have no problem in meeting the standards contained in any of a dozen voluntary codes of conduct. The problem is not the best companies, it is others that do not respect or care about the codes. Here is an area where the Canadian government could and should lead, by providing clear oversight mechanisms and ombudsman services for dispute resolution, and recourse to the Canadian judicial system where this proves impossible.

#### **14. THE CONSERVATIVE PLAN TO CREATE A DEVELOPMENT FINANCE INITIATIVE**

In the 2015 Federal Budget, the Conservative government announced the creation of a Canadian development finance 'initiative'. In the name of 'coherence and effectiveness', the government stated that it established the new initiative to enhance private sector development, achieve meaningful development outcomes, and raise people out of poverty. Few details had emerged by the time of the election.

The new government should be cognizant of past endeavours in this area, and heed the lessons and failures of Canadian programs and projects that have gone before. Any new institution should complement ODA and local investments, not displace them. Private sector investment is certainly needed to address important investment gaps throughout the developing world, but it is no silver bullet, nor is it a substitute for ODA. If this idea goes ahead, doing it right will entail careful planning, ensuring that vulnerable aid budgets are not further diminished, and that any new lending mechanisms incorporate human rights, gender equality, environment and governance considerations.