

FANTINO'S FANTASY: CIDA, ISRAEL AND ALL THAT

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In September, Canada and Great Britain signed an agreement that will see the two countries sharing embassies abroad. The idea is to extend each country's diplomatic reach while cutting costs. The move has been criticized because it could compromise Canada's independence and its foreign policy. Canada and Australia already have this kind of arrangement in some 26 countries, but let's face it, Britain isn't Australia, and the Brits have issues and image problems that we don't need to share.

Now the Harper Government has signed a memorandum of understanding that will see the Canadian International Development Agency (CIDA), sharing strategies with Mashav, Israel's agency for international development. Ahead there may be partnerships on specific projects. The announcement came in December from Daniel Carmon, head of Mashav, but CIDA Minister Julian Fantino—usually quite voluble on such matters—has been uncharacteristically silent. As well he might be. Israel may have lots of good development lessons to teach CIDA, but Mashav is small, focuses heavily on training, and has limited spread. And let's face it, Israel has issues and image problems that Canada doesn't need to share.

But there's another question: Why would Israel want to team up with CIDA? By now, most people who care about Canada's aid program know that Julian Fantino has become a shill for Canadian mining companies operating abroad.

During his November 23 speech to the Empire Club in Toronto, he said a number of things that would have made George Orwell (he of "new speak" and "double think") proud.

Among Fantino's more remarkable statements: "CIDA is committed to contributing to Canada's long-term prosperity and security." And here we thought CIDA's role was about reducing poverty in poor countries.

"Foreign Direct Investment," Fantino said, "now outpaces development assistance at a rate of five to one." And "Remittances from Canada were estimated at more than \$15 billion--nearly three times as much as CIDA's total development program." Uh-oh. These lame old canards are trotted out whenever someone is going to give you bad news about the aid program.

Remittances don't build roads or schools or clinics any more than undifferentiated foreign direct investment does. Foreign direct investment *can* create jobs, pay taxes, add value to local products and build a country's Gross National Product, and all of that can contribute to development. But most foreign direct investment bypasses very poor countries, and when it doesn't you can be sure some oil or gold or gas is involved.

A lot of today's foreign direct investment in developing countries is not about "investing"; it's about getting access to minerals and oil and tropical hardwood.

In his Empire Club speech, Fantino talked a bit about humanitarian assistance, health and education, and threw a sop towards the small and medium enterprise sector which is where the real jobs in developing countries lie--in *their* private sector, by the way, not ours. It seems CIDA helped a woman in North Vietnam with her little terra cotta pot business. And 1200 others. Neat.

But let's cut to the chase, which is why business people paid \$70 to hear Fantino speak, and why he spoke to business people. "CIDA," he said, "is working to help the Canadian mining, oil and gas sector to partner in development with local governments and NGOs for mutual benefit."

There it is. He gives an example of how this can work: "In Ghana, a project with World University Service of Canada (WUSC) and Rio Tinto Alcan will improve education and access to clean water for more than 130,000 residents in 12 mining communities."

It isn't clear what the "mutual benefit" is here. Rio Tinto Alcan, even if it were still involved in Ghana, doesn't know anything about education or clean water. The advantage to the company and its successor, the Chinese Bosai Minerals Group is that peace will (presumably) reign in 12 mining communities because WUSC is bringing some development expertise to bear. So there is obviously an advantage to the company. There's no "advantage" to WUSC. NGOs don't gain "advantage" from cash; they get work. Whatever "advantage" might have been seen for CIDA is unclear--so far there has only been bad publicity.

In fact apart from reducing the cash that Rio Tinto Alcan would have had to pay for the entire project, CIDA brings nothing to the table beyond its rapacious appetite for reports, logical frameworks and the results matrices that drive all of its "partners" nuts.

Here's an area where Israel (or a Grade 8 student) could help: in showing CIDA how to deliver its real mandate, and helping it to cut the red tape, the endless delays and the bafflegab.