



Sistema Económico  
Latinoamericano y del Caribe

Latin American and Caribbean  
Economic System

Sistema Econômico  
Latino-Americano e do Caribe

Système Economique  
Latinoaméricain et Caribéen



# Canada: International Development Cooperation policies and programmes. Opportunities for Latin America and the Caribbean

## Extra-Regional Relations

*Regional Seminar on the economic relations between Canada and Latin America and the Caribbean*  
*Caracas, Venezuela*  
*30 March 2012*  
*SP/SRRECALC/DT N° 2-12*

Copyright © SELA, March 30 2012. All rights reserved.  
Printed in the Permanent Secretariat of SELA, Caracas, Venezuela.

The Press and Publications Department of the Permanent Secretariat of SELA must authorize reproduction of this document, whether totally or partially, through [sela@sela.org](mailto:sela@sela.org). The Member States and their government institutions may reproduce this document without prior authorization, provided that the source is mentioned and the Secretariat is aware of said reproduction.

# C O N T E N T S

## *FOREWORD*

EXECUTIVE SUMMARY	3
INTRODUCTION	6
1. CANADA'S COOPERATION POLICY	8
2. CANADA'S STAKEHOLDERS IN INTERNATIONAL COOPERATION	13
3. CANADA'S RESOURCES FOR ODA	20
4. CANADA'S IDC AREAS AND PROGRAMMES IN LAC	24
5. RECOMMENDATIONS TO DEEPEN COOPERATION	55
CONCLUSIONS	58
ANNEX	59
BIBLIOGRAPHY	61



---

**F O R E W O R D**

---

*This document, prepared by the Permanent Secretariat of SELA, is basically aimed at assessing Canada's international cooperation policy based on its governing principles, action lines and priority sectors and countries, with the purpose of supplying information on the prospects of the international development cooperation provided by Canada to the region.*

*The statements made herein will be the grounds for the discussions to take place at the Regional Seminar on the economic relations between Canada and Latin America and the Caribbean, convened by the Permanent Secretariat of SELA for 30 March 2012, in compliance with the Work Programme of the organization.*

*The first section reviews Canada's cooperation policy, its guiding principles and priorities in the world, as well as the financial resources allocated for official development assistance. The second section contains a breakdown of the institutional structure of Canada's international cooperation. The third chapter examines the Canadian supply of international development cooperation for Latin America and the Caribbean by amounts and regions. The fourth section makes an in-depth analysis of Canada's relations with Latin America and the Caribbean in the area of cooperation. Lastly, the fifth chapter provides some recommendations in order to delve into and tighten the ties of the region with Canada.*

*The Permanent Secretariat of SELA would like to thank Consultant Luz María de la Mora for drafting this case study.*



## EXECUTIVE SUMMARY

The economic and financial crisis undergone in the global economy has exerted an enormous pressure on international development cooperation flows. For Latin America and the Caribbean (LAC), raising funds from Official Development Assistance (ODA) in order to attain the Millennium Development Goals (MDGs) ahead of 2012 is more and more troublesome in the face of budgetary and financial imbalances of its main ODA sources. Attaining the MDGs is not a choice but an urgent commitment for the purpose of improving living standards of the underprivileged sectors of the population.

Within this context, the Latin America and the Caribbean region could try to tighten its ties to countries such as Canada – a key stockholder in international assistance – and rely on it in order to attain the MDGs. Canada is ideally positioned to invigorate its relationship with the region through its international cooperation policy, thus helping the countries in the region to foster development and reduce poverty.

Canada's international cooperation policy is aimed at poverty reduction and achievement of the MDGs, and also to the support of food security and economic growth, humanitarian aid, education and health; debt relief for developing countries; capacity building and protection of refugees.

In 2008, Canada enacted the **Better Aid Bill** (Bill C-293) in order to secure transparency of the ODA offered by this country to the world. As set forth in the bill, Canadian aid should be aimed at poverty reduction, in keeping with the MDGs, the values of Canada, its foreign policy and international human rights standards. The report **Canada and the Americas: Priorities and Progress, 2009**, issued by the Canadian Government, brings forward three major themes of the Canadian international development cooperation (IDC) – democratic governance, economic prosperity and security – which reinforce one another with a long-term vision. Thus, Canadian ODA is governed by the following principles:

1. Focusing cooperation efforts;
2. Delivering results;
3. Strengthening local leadership, and
4. Efficiency and accountability.

Cooperation is materialized through several stockholders. While the Canadian cooperation policy is outlined by the **Canadian International Development Agency** (CIDA) in accordance with the principles of Canada's foreign policy, several ministries are responsible for its implementation, encompassing multiple cooperation activities and sectors. The Canadian civil society also plays a significant role in cooperation activities and programmes.

Canada's international development cooperation goes back a long way in Latin America and the Caribbean. It has been provided through several stockholders, both at the federal, provincial and territorial level and the civil society by means of the work of state-run companies, the private sector, non-governmental organizations (NGOs), academic institutions and LAC residents in Canada who have acted as a bridge for such cooperation. In the academic field, over 80 Canadian universities and colleges have entered into exchange agreements with LAC institutions.

Traditionally, Canada has been among the major donors in the area of international development cooperation with a higher profile. Based on official data of CIDA, the funds

## 4

allocated amounted to five billion Canadian dollars (CAD) in 2010-2011; most of which went to ODA.

CIDA spent CAD 492.1 million in 2007-2008 in development aid for Latin America and the Caribbean. Recent undertakings include an investment of CAD 600 million for 10 years in the Caribbean, focused on governance and development of the private sector. While Canada is set to spend 0.7% of its GDP in development and ranks 16th among the 22 countries of the OECD Development Assistance Committee (DAC), the Canadian ODA has never attained such percentage. As for countries or regions, Canada's ODA has mostly focused on Sub-Saharan Africa and Asia (including Afghanistan). While the financial crisis could have curbed the Canadian ODA, this has not been the case and Canada's international cooperation keeps on being as strenuous as usual. However, the funds currently allocated to LAC amount to 15% only out of the total ODA recorded by Canada.

In July 2007, Prime Minister Stephen Harper announced that Canada undertook to play a major role in the Western Hemisphere and listed the three objectives of such renewed commitment:

1. Advancing democratic values,
2. Strengthening economic relations, and
3. Facing new security challenges in the region.

For the purposes of analysis, Canadian cooperation in the region could be categorized as follows:

- a. Bilateral programmes. Canadian foreign assistance in the region focuses on those countries in more need of poverty and inequality reduction. A group of Latin American nations with these characteristics was chosen, namely: Bolivia, Colombia, Haiti, Honduras, Peru and the Caribbean region.
- b. Subregional programme with the Caribbean. CIDA Programme for the Caribbean region supports 14 countries: Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname and Trinidad and Tobago. Canada supports the development agency established by CARICOM which pursues regional integration and a thriving Caribbean community.
- c. The Inter-American Regional Programme is a *par excellence* regional programme developed by the Government of Canada to take its cooperation to LAC by bolstering sustained economic growth and protecting children and youth in the region. This programme sponsors 23 regional projects in most of the 33 Latin American and Caribbean countries and focuses on regional issues, such as increasing trade benefits or disease control. The Inter-American Regional Programme has been implemented concomitantly with the Strategy for the Americas of the Government of Canada; it aims at strengthening key regional organizations of the Americas, such as the Organization of American States (OAS) and the Pan-American Health Organization (PAHO).
- d. The Canadian Fund for Local Initiatives (CFLI) focuses on local projects which provide technical, educational, cultural and/or social support, as well as financial assistance to local communities, with a view to improving the social, economic and cultural life of the population in 103 developing countries. Presently, the Canadian Fund finances operational projects in several countries in the region,

namely: Argentina, Barbados, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, the Dominican Republic, Uruguay and Venezuela.

- e. Economic cooperation. This category is on the rise through trade and investment flows. Furthermore, Canada has entered into six Free Trade Agreements (FTAs) with countries in the region (Chile, Colombia, Costa Rica, Mexico, Panama and Peru); it is holding talks with Guatemala, Salvador, Nicaragua, Costa Rica, CARICOM and the Dominican Republic, and expects to make trade-related deals with Ecuador and Bolivia. As regards investments, Canada has a network of 10 **Reciprocal Investment Promotion and Protection Agreements** (APPRIs), in addition to the investment chapter contained in the aforementioned bilateral FTAs. Canada's Foreign Direct Investment (FDI) in the region is over US\$ 150 billion.
- f. Humanitarian aid. Canada lends a hand to those people ravaged by conflicts and natural disasters by providing them with resources in an effective, appropriate and timely manner. Canada has played a leading role in the **Good Humanitarian Donorship Initiative**. Such initiative intends to improve donors' responsiveness in times of humanitarian crisis and take action to enhance flexibility and equity in humanitarian funding. In the area of humanitarian aid in Latin America and the Caribbean, CIDA has made great efforts in several countries. In Haiti, in the aftermath of the earthquake of January 2010, it has worked in the areas of health and nutrition services, coordination and oversight of camps, fight against cholera and humanitarian coordination. In Colombia, during the 2010 floods it embarked upon a programme to prevent malnutrition and support vulnerable people struck by the civil war. In Guatemala, in the after-effects of tropical storm Agatha in 2010, it supported World Vision and the World Food Programme. In Chile, in the aftermath of the earthquake in February 2010, it backed OXFAM and World Vision. At the regional level, it has supported the Red Cross and UNHCR.

This document deals with multiple areas, which give SELA Member States opportunities to set thematic agendas with Canada in line with the development needs in the region. This means a higher level of cooperation between Canada and LAC to set a dedicated agenda and enable the region to add priorities, as well as its own efforts in working on cooperation programmes.

LAC countries are advised to ponder on the following actions to break ground in stronger cooperation with Canada:

1. Making an inventory of experiences of the Canadian IDC in LAC.
2. Drawing a map of the Canadian IDC.
3. Holding a seminar of cooperation agencies in LAC together with CIDA.
4. Defining high-priority thematic areas for LAC to work with Canada.
5. Identifying and furthering access to new funding sources for Canada-LAC cooperation.
6. Promoting decentralized cooperation.
7. Giving increasing economic, trade and business opportunities.
8. Enhancing cooperation with the Caribbean.

There is a broad range of choices in Canada's international cooperation with LAC to enhance already existent programmes, both in individual countries and the region as a whole.

## 6

The Permanent Secretariat of SELA is ideally positioned to contribute to this task, helping to create the space for discussion and analysis to ensure that those responsible for cooperation in the region can define the best ways to develop a common agenda for the advancement of IDC between Canada and LAC.

### INTRODUCTION

The economic and financial global crisis has put in jeopardy international development cooperation flows. Major donors in the European Union and the United States are under heavy pressure to cut government spendings, including international development assistance. The UN Report on *World Economic Situation and Prospects 2011* found that “the economic downturn has caused important setbacks in progress towards the MDGs.” The challenge, in the meantime, lies on securing enough resources so that developing countries can meet their needs in times of crisis, when the need for development aid is most urgent.<sup>1</sup>

Traditional donors focused on Latin America and the Caribbean have had to curtail their budgets for Official Development Assistance (ODA), with a negative impact on cooperation programmes set to meet the needs of vulnerable people. Take, for instance, the case of Spain, one of major donors in the region. In 2011, the Spanish budget for ODA shrank by 618 million Euros. Nowadays, the Spanish aid stands at 0.4% of the country's GDP.<sup>2</sup> Similarly, LAC nations as a whole are rated as per capita middle-income countries, making them prone to ODA cuts. This precludes the support to lower-income countries and regions which face huge challenges to achieve the MDGs.<sup>3</sup> Within this context, LAC is most vulnerable to a thinner ODA and cooperation, adding troubles to achieving the MDGs by 2015.

While LAC is not the poorest region in the world, it is lagged behind in terms of social equality. Ranking LAC nations as middle-income countries prevents them from getting enough economic and human resources in order to ease the needs of vulnerable sectors and bridge the gaps in technical assistance and training. *Social Panorama of Latin America 2011*, a case study authored by ECLAC, notes that the region has made headway with reduction of inequality by means of job creation and, to a lesser extent, social welfare programmes aimed at bettering the quality of life of vulnerable people. As a matter of fact, in 1990-2010, the poverty rate in Latin America decreased by 17%; while the extreme poverty rate lowered 10.3%. This affords the LAC region the best levels in terms of poverty reduction. Nonetheless, while the region has little by little bolstered the middle class with a better purchasing power, 174 million people (around 30%) live in poverty or extreme poverty. This proves that the region still requires ODA in order to meet the needs of those people, and particularly to attain the MDGs by 2015.

In view of the financial crisis, fewer resources for ODA and IDC, and lingering needs in the region, an analysis should be made of the choices available to Latin America and the

---

<sup>1</sup> UNCTAD. Department of Economic and Social Affairs. *World Economic Situation and Prospects*. 31 January 2011 ([www.un-ngls.org/spip.php?article3217](http://www.un-ngls.org/spip.php?article3217)).

<sup>2</sup> Spain. General Courts, Report on Sessions of the Congress of Deputies. Committees. IX Legislature. Year 2010. Number 633. Session number 29. Thursday 7 October 2010, p 3.

<sup>3</sup> The eight Millennium Development Goals (MDGs) – which range from halving extreme poverty to halting the spread of HIV/AIDS and providing universal primary education, all by the target date of 2015 – form a blueprint agreed to by all the world's countries and the world's leading development institutions. They have galvanized unprecedented efforts to meet the needs of the world's poorest. <http://www.un.org/spanish/millenniumgoals/bkgd.shtml>.

Caribbean in order not to lose momentum, enter into partnerships and find the means to drive development and attain the MDGs. LAC could develop synergies with some IDC players, particularly in the Western Hemisphere, namely Canada. This paper probes this country as a leading actor in ODA and international cooperation for LAC development. Canada is fit for tighter ties to the region through its cooperation policy so that LAC countries can foster development and reduce poverty.

An analysis of Canada's international cooperation policy is made in this document, including its governing principles, action lines and priority sectors and countries, with the purpose of supplying information on the choices of international development cooperation provided by Canada to the region. The study proves that the Canadian IDC for LAC is characterized by two major trends. Firstly, for Canada, the LAC region takes precedence over all others in its foreign policy – a potential in rapprochement by means of IDC and ODA. However, the second trend could run counter to it, because Canada has used most of its resources and cooperation in security and the reconstruction efforts in Afghanistan.

The first section of this document reviews the Canadian cooperation policy, guiding principles and priorities in the world, as well as the funds allocated to ODA. The Canadian IDC has followed the guiding principles of the Paris Declaration, namely: optimizing resources; refraining from duplicating programmes and efforts, and aligning them with the development goals of the partner country; ensuring that programmes have a true positive impact and delivering results. Furthermore, priority has been given to the Caribbean and some countries in the region, such as Haiti, Honduras, Peru, Colombia and Bolivia. This does not mean lack of cooperation for other countries or subregions. This has been part of the recommendations made in 2007 by the OECD Development Assistance Committee. In addition, the Canadian cooperation relies on three major areas: democratic governance, prosperity through economic cooperation and security.

The second chapter analyses the international development cooperation provided by Canada to the region per subregions and bilaterally. A roadmap of the Canadian cooperation is provided; allocated funds and results are explored. At the regional level, the Inter-American Regional Programme and the regional cooperation with the Caribbean are explained. At the bilateral level, Canada's cooperation programmes with selected countries in the region are analyzed, namely: the Caribbean, Haiti, Honduras, Bolivia, Colombia and Peru. The Canadian government has dedicated programmes for these countries.

In the third part, recommendations are made to delve into Canada's international cooperation. Any cooperation with LAC from Canada should bear in mind the policy made by the Canadian government based on its own priorities, resources and areas of interest. Based on the identification of policies, programmes and public and private projects involving SELA Member States, some action lines are provided so that the region can work with Canada and maximize resources for IDC. Also, some recommendations are made to develop new programmes or replicate successful ones on the basis of the Canadian cooperation and with the expertise of LAC countries.

With the help of this document, SELA seeks to systematize the information supplied to countries in order to define areas where its Member States could focus their attention to galvanize Canada into development and implementation of cooperation programmes in the region. Similarly, some input is provided in order to maximize Canadian cooperation with LAC, as well as recommendations for Member States to identify opportunities.

## 8

### 1. CANADA'S COOPERATION POLICY

Canada's international development cooperation has been characterized by multiple world events since the post-war period. This has had an impact on cooperation of other donors such as Canada. Both the political will of donors and their financial capacity have been pivotal in making their cooperation policy. The Canadian aid is not the exception to the rule.

International cooperation should be understood from several approaches. Firstly, there is international cooperation where international organizations, such as the United Nations or the Organization for Economic Cooperation and Development (OECD) has set major development guidelines and goals to advance people's wellbeing. The latest case is the MDGs arising from the UN Millennium Summit held in 2000 intended to enhance the wellbeing of the underprivileged. Secondly, the IDC is conditioned by donors' abilities and objectives; this undoubtedly mirrors their own goals in the world arena. Therefore, ODA and IDC rely on donors' foreign policy. At the same time, they are a tool for their profile and clout on international relations.<sup>4</sup> Thirdly, from the point of view of the recipient, by means of IDC, developing countries have sought to solve or address specific problems in order to improve well-being among their most vulnerable people. Cooperation policies and programmes undertaken by Canada towards Latin America and the Caribbean will be analysed within this multidimensional context.

Since the approval of the Millennium Declaration of 2000 by the United Nations General Assembly, Canada undertook to enlarge its budget for Official Development Assistance (ODA) from CAD 2.6 billion in 2000-2001 to CAD 4.1 billion in 2004-2005.<sup>5</sup> This was in line with the donors' promises to provide 0.7% of their GDP to ODA.<sup>6</sup> But such an increase in the budget also entailed further inter-ministerial coordination. As a result, the Canadian International Development Agency lost autonomy over the cooperation supplied by Canada to developing countries.

In October 2007, the OECD reviewed Canada's cooperation policy and acknowledged its achievements in multiple areas, to wit: a comprehensive approach for all government agencies to work jointly on fragile States; the humanitarian action as a priority; more attention to Africa and a thicker budget for ODA. Nevertheless, the review recommended Canada to set clear objectives in development aid; focus on fewer countries for a more effective aid; distribute multilateral aid in a more strategic manner; enforce the Paris Declaration on Aid Effectiveness; delegate more authority to Canadian officials in charge of on-site operations, and carry out an initiative to reform Canada's

---

<sup>4</sup> The United States, for instance, has used its foreign aid as a tool of foreign policy. In the post-war period, the United States launched important development aid programmes in order to contain the Cold War. Thus, the US IDC was a major foreign policy tool to recruit allies around the world.

<sup>5</sup> There is an inconsistency with the figures reported to the OECD's DAC.

<sup>6</sup> According to a report prepared by the research and information services of the Canadian Parliament, Canada has never attained the goal of 0.7% of its GDP. The nearest was in 1986-1987, when it reached 0.5%. Note that since 2002 the House of Commons Standing Committee of Foreign Affairs and International Trade has exerted pressure on the government to set a schedule to attain the 0.7% goal. In 2009, the Canadian International Cooperation Council reckoned that in order to achieve such goal, there was the need to increase ODA by 15% on a yearly basis over the next ten years. Only five countries have managed to attain or exceed the goal of 0.7%: Sweden (0.98%), Luxembourg (0.92%), Norway (0.88%), Denmark (0.82%), and the Netherlands (0.80%). Paul and Pistor, Report on Expenses in Official Development Aid by the Parliament Information and Research Service, p 2.

DOA and IDC. Such recommendations were borne in mind in the report of the Canadian International Development Agency on Plans and Priorities for 2008-2009.<sup>7</sup>

The OECD review also found that Canada lacked a unified development cooperation policy. Instead, it had a number of individual policies, strategies and reports which led to a wide array of priorities and trends. For this reason, the OECD recommended a single cooperation policy with a clear focus on poverty, in order to guide the works both of ministries and other cooperation stakeholders.

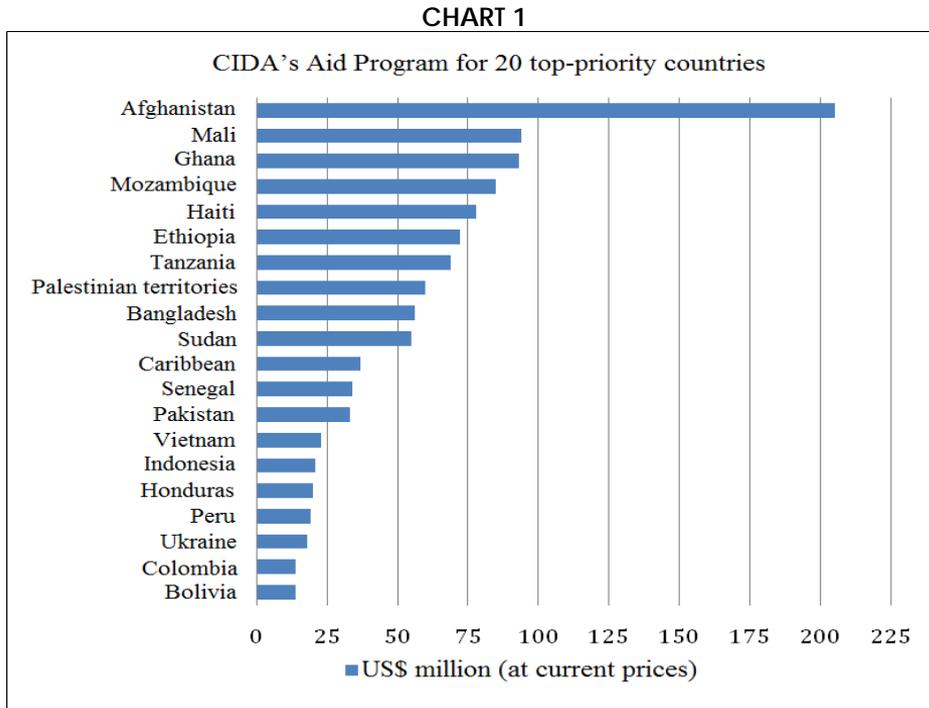
In view of the foregoing, Canada focused its cooperation policy on poverty reduction through the following guidelines:

- Aid for **food security** and **economic growth**, through the private sector support, agriculture promotion, development of skilled labour, and better labour policies and laws.
- Support to people stricken by natural disasters and conflicts by means of **international humanitarian aid** for reconstruction and support to the efforts at peace consolidation.
- Support to **education, health, economic growth, food security**, and other key sectors for **sustainable development**, by building up capacities of public administrations in developing countries to democratically govern and wisely manage their resources.
- Support to **international organizations** in development-related areas, including global financial stability, climate change, food security, health, telecommunications and regional security in conflict zones, and keeping an influence on countries such as Haiti.
- Aid to **ease the burden of the debt in developing countries**, so that they can use their scanty resources to reduce poverty and improve their citizens' living conditions.
- Entering into partnerships for development; encouraging citizens' participation through **civil society**, their NGOs and the private sector involvement in development efforts.
- Contribution to **development of human capital**, by boosting scientific research, scholarships and institutional links with Canadian organizations. This will result in a better access to markets, a cleaner environment, health improvements, new technologies, human rights observance and fairer laws.
- Support and protection of refugees, ensuring their security and observance of their rights.

Furthermore, as part of its *Aid Effectiveness Agenda*, the Canadian government announced in 2009 that 80% of its bilateral resources for IDC would focus on 20 countries, selected according to their needs, their ability to cash in on the Canadian DOA and their alignment with the priorities of the Canadian foreign policy. As shown in Chart 1, five out of these 20 countries are from Latin America and the Caribbean. The purpose was making Canada's international aid more focused, more effective and more measurable, bearing in mind that the needs of partner countries should be consistent with the Canadian government interests. This was also made in keeping with the OECD recommendations.

---

<sup>7</sup> OCDE. Development Cooperation Directorate. Development Assistance Committee. OECD. Review of the Canadian Development Cooperation Programme. Canada (2007), DAC Peer Review: Main Findings and Recommendations.



Source: CIDA, Statistical Report on International Assistance, Fiscal Year 2009-2010, p 6.

**Canada's Official Development Assistance Accountability Act**

In 2008, Canada passed the *Official Development Assistance Accountability Act*, known as the *Better Aid Bill (Bill C-293)*. The Bill was designed to ensure transparency and accountability of the Canadian aid. Pursuant to the Bill, the Canadian aid should be aimed at poverty reduction, in accordance with the MDGs, the values of Canada, its foreign policy and international rules on human rights. Nonetheless, there are three exceptions: official development aid to mitigate the effects of natural disasters, human-made disasters and international emergencies.

The exceptions listed in the Bill have taken precedence over all others in the Canadian foreign aid over the past few years. In this way, Afghanistan, regarded as a "region of human-made disaster," has become the main target of the Canadian ODA.<sup>8</sup> Furthermore, the Department of National Defence, instead of the Canadian International Development Agency, receives most of the budget and plays a key role in setting up Canada's development aid policy.

The three exceptions mentioned above gained importance; and on this assumption, Afghanistan – a human-made disaster – was the main recipient of the Canadian aid in

---

<sup>8</sup> The objective of Official Development Assistance (ODA) is to help reduce poverty in developing countries and build capacities so that these countries can benefit from development. The Paris Declaration on Aid Effectiveness set the following goals: i. Strengthening partner countries' national development strategies and associated operational frameworks (e.g., planning, budget, and performance assessment frameworks). ii. Increasing alignment of aid with partner countries' priorities, systems and procedures and helping to strengthen their capacities. iii. Enhancing donors' and partner countries' respective accountability to their citizens and parliaments for their development policies, strategies and performance. iv. Eliminating duplication of efforts and rationalizing donor activities to make them as cost-effective as possible.

2006-2009. In addition, most of the increasing aid has gone to that country. Given the security issues in Afghanistan, the Canadian Department of National Defence got involved in decision-making, putting aside the Canadian International Development Agency. In addition, part of the Canadian aid budget was allocated to the World Bank, UN agencies and the Asian Development Bank.

### **Principles of Canada's IDC: Aid Effectiveness Agenda**

Canada's international development cooperation has consistently formed part of the country's foreign policy, particularly its policy towards LAC. *Canada and the Americas. Priorities and Progress 2009*, of the Canadian Government, is the latest report on the approach of Canada's foreign policy in the region. The paper lists three guiding principles of the Canadian IDC, mutually reinforced with a long-term outlook of the region:

1. **Democratic governance:** Canada's IDC policy is set to strengthen democratic institutions, practices and principles that confer freedom, human rights and the rule of law.
2. **Wealth: Economic Cooperation:** Canada regards its cooperation policy as a way of creating dynamic and growing economies; emboldening responsible investment and open markets able to give new opportunities and create jobs.
3. **Security:** Canada's IDC aims at improving regional stability and security, fighting the threats of illicit drugs, organized crimes, pandemics and natural disasters.

The Government of Canada has committed to making Canada's international assistance more efficient, focused, and accountable. In view of this approach, CIDA has undertaken steps to make its work more effective, in line with international agreements and recognized best practices in the area of IDC.

The Canadian foreign aid is governed by the principles of focusing cooperation efforts; delivering results; strengthening local leadership, and efficiency and accountability. Following is a detailed description of such principles.

#### **- Focusing cooperation efforts**

To focus its foreign aid programmes, CIDA has chosen the following priority themes:

- a. Increasing **food security**, where the Canadian assistance highlights food aid and nutrition; sustainable agricultural development, particularly with regard to women and small rural farmers; as well as research and development.
- b. Securing the future of **children and youth**, with an emphasis on maternal health; access to a quality education and safe and secure futures for children and youth.
- c. Stimulating **sustainable economic growth**, with the goal of building economic foundations; growing businesses and investing in the human factor.

Table 1

<i>Area</i>	<i>Specialization</i>
<i>Food Security</i>	<ol style="list-style-type: none"> <li>1. <i>Nutrition and food aid</i></li> <li>2. <i>Sustainable agricultural development, particularly to favour women and small-scale farmers</i></li> <li>3. <i>Research and Development</i></li> </ol>
<i>Children and Youth</i>	<ol style="list-style-type: none"> <li>1. <i>Maternal and child health</i></li> <li>2. <i>Access to quality education</i></li> <li>3. <i>Securing the future for children and youth</i></li> </ol>
<i>Sustainable economic growth</i>	<ol style="list-style-type: none"> <li>1. <i>Laying sound economic bases</i></li> <li>2. <i>Business Promotion</i></li> <li>3. <i>Investment in the human factor</i></li> </ol>

These three areas are consistent, respectively, with most of the MDGs: 1. Eradicate poverty and hunger; 2. Reduce child mortality and improve maternal health; universal education and combat HIV/AIDS, and 3. Environmental sustainability and global partnership.

To achieve said goals, Canada has set up several programmes and projects around the world by means of triangular cooperation,<sup>9</sup> enabling it to optimize and maximize its resources. For such purpose, Canada works with IDC partners, to wit:

- a. Global and multilateral partners, such as the World Food Programme and the Global Fund to Fight AIDS, Tuberculosis and Malaria.
- b. Partnerships with Canadian NGOs acting as cooperation partners towards a recipient country.
- c. Other developing countries.
- d. Regional programmes in line with the MDGs.

#### - Delivering results

In line with the Paris Declaration, the effectiveness of Canada's international assistance is measured by the progress made in reducing poverty and improving the lives of those living in poverty. To ensure that Canadian assistance is making a difference, CIDA supports work that has set clear objectives and outcomes to be achieved.

Under CIDA's guidelines, development activities must be founded on evidence-based criteria. Identifying outcomes, both quantifiable and qualitative, enhances coordination and coherence of efforts by all donors and assistance partners. The setting of benchmarks enables beneficiaries and Canadians to measure progress against expected outcomes.

<sup>9</sup> Triangular cooperation involves three actors: the **donor country**, the cooperating or **emerging country** and the recipient or **beneficiary country**.

### **- Strengthening local leadership**

To achieve meaningful, sustainable results, Canada strives to make its projects and programmes aligned with partner country priorities and development plans, thus trying to build local leadership in policy making and setting of strategies, based on locally identified needs and priorities. This also allows for true ownership of the projects by beneficiaries and turns cooperation into sustainable initiatives.

Based on the foregoing, all CIDA efforts must be known by and support local leadership of relevant governance bodies. Involvement in local planning and implementation of said projects yields benefits to the involved community and people. Canadian assistance seeks to build and strengthen the local, district, regional or national capacity in-country so that these programmes can survive in the long term through local leadership in partner countries, thus ensuring a higher impact and effectiveness of the IDC.

### **- Efficiency and accountability**

To enhance the efficiency and accountability of ODA, Canada publishes an annual report on **Development for Results**, to whoever is concerned. Similarly, the Canadian Government submits annual reports to Parliament and an annual statistical report on official development assistance expenditures; outlines the country plan for each country of focus, including the country program budget, the list of projects and project budgets, as well as the objectives being supported by CIDA. It also posts on its Web site the evaluations and audit reports.

As part of its Aid Effectiveness Agenda, in 2009, the Canadian government reported on the use of 80% of its bilateral funds for a set of 20 countries, chosen according to their real needs, their ability to cash in on such aid and their alignment with the priorities of the Canadian foreign policy.

## **2. CANADA'S STAKEHOLDERS IN INTERNATIONAL COOPERATION**

It should be noted that the Canadian cooperation policy is defined by the Canadian International Development Agency (CIDA), and its performance is in line with Canadian foreign policy principles. However, the implementation of the international assistance offered by Canada is divided across different ministries, which cover various activities and sectors of said cooperation.

The *2008-2009 Report to Parliament* clearly states that Canada's ODA is performed through the following ministries.

TABLE 2

<i>Ministry</i>	<i>ODA 2008-2009 (Millions of Canadian dollars)</i>
<i>Canadian International Development Agency (CIDA)</i>	3575.19
<i>Ministry of Finance of Canada</i>	676.31
<i>Ministry of Foreign Affairs and International Trade</i>	277.7
<i>International Development Research Centre (IDRC)</i>	175.75
<i>National Defence</i>	18.79
<i>Ministry of Health</i>	11.97
<i>Ministry of Environment</i>	4.04
<i>Ministry of Labour</i>	1.40
<i>Ministry of Industries</i>	0.97
<i>Parks Canada</i>	0.47
<b>TOTAL</b>	<b>4,854.25</b>

Source: Canadian International Development Agency. Report to Parliament on the Government of Canada's Official Development Assistance – 2008–2009 (<http://acdi-cida.gc.ca/acdi-cida/acdi-cida.nsf/eng/NAT-9288209-GGP#message>) (Consulted on 15 November 2011).

Following is a brief explanation of the performance of the various entities mentioned above in Canadian IDC.

**a. CIDA.** The Canadian International Development Agency (CIDA), created in 1968, is the main governmental organization responsible for managing the Canadian ODA.

CIDA is not only responsible for the Canadian International assistance but also coordinates such assistance, as there is a variety of stakeholders who are also involved in the ODA. In this sense, its mission is to lead the Canadian effort to help in the struggle against poverty. In this regard, it supports programs and projects that offer a high impact with tangible results for the population, with poverty reduction as its primary objective. It also participates in the development of policies, both in Canada and internationally, to support Canada's development goals consistently with the Canadian foreign policy.

The Agency seeks its cooperation programs to be efficient and transparent, maximizing benefits through Canadian public funding, and it works in collaboration with its development specialist partners, in crisis-stricken and fragile countries, (*countries of focus*) and with the Canadian institutions and population.

CIDA plans its development aid programs in selected countries and regions eligible for the Canadian ODA, in order to increase the capacity of these countries and regions to achieve stability and/or development goals, and contribute to the international interests of Canada through more information, dialogue and resource allocation. For example, in LAC, Haiti has been selected for Canadian assistance following these criteria. As the poorest country in the Americas, Haiti is a priority for Canada. CIDA coordinates many of the activities of various donors in the country. CIDA Program in Haiti reflects the priorities of the Haitian government and focuses on strengthening public institutions to enable them to provide basic services to the Haitian people. In 2008, Canada contributed more than US\$ 10.6 million in humanitarian aid and US\$ 15 million in food aid, in addition to its annual contribution of US\$ 110 million.

**b. Ministry of Foreign Affairs and International Trade.** The international aid programs of this Ministry cover a wide range of activities in six general categories: 1. Security and stability, which provides dedicated resources for a timely response with respect to countries in crisis or at risk, which is not directly under the Department of National Defence, nor a part of Canada's traditional official programs such as the development aid for countries in crisis such as Haiti; 2. Quotas to 24 international organizations of which Canada is a member (including peacekeeping); 3. Services rendered abroad for Canada's diplomatic and consular missions; 4. Democracy in 15 countries, including Haiti; 5. Scholarships for children and young people to fund higher education and advanced training at the technical and administrative level in eligible countries;<sup>10</sup> and 6. Environment and climate change to support effective international measures, in order to build capacities among the poorest and most vulnerable sectors to adapt to climate change impacts.<sup>11</sup>

**c. International Development Research Centre (IDRC).** The IDRC is a Canadian public corporation created in 1970 to support researchers in the developing world in their work to improve the lives of communities and reduce poverty. Its goal is to achieve innovative and long term results that provide options and changes to those who need it most.<sup>12</sup>

Those changes lead to improvements such as increased crop yields, increased market access, environment and health improvements, new technologies, fairer laws and equal opportunities. In 2008-2009, the IDRC supported 1,077 applied research projects and about 160 projects in Latin America and the Caribbean.

The IDRC regional office that covers LAC is located in Montevideo, Uruguay, and coordinates activities in 33 countries. The IDRC programs respond to the various needs of the region. Three objectives guide the activities of the IDRC:

1. Promote democracy, human rights and accountable governments.
2. Reduce vulnerability to disease, natural disasters and environmental degradation.
3. Increase opportunities for an equitable economic growth and access to social services.

In addition, the IDRC acknowledges that research in the region is necessary in order to extend the practical solutions to latent problems, and promote innovation and long-term growth.

The IDRC also supports initiatives that contribute to knowledge on agriculture, environmental changes, health, natural resource management, peace and social justice. The IDRC projects cover a broad range of topics. The organizations that conduct the research projects help the communities make decisions on resource management that will provide them a sustainable future, in seeking to improve their ecosystems in order to

---

<sup>10</sup> In the Caribbean and the Americas, scholarships are aligned with the priorities of Canada's strategy for the Americas, including the promotion of democracy and good governance, as well as the rule of law and prosperity. In some countries that receive funding through the Department's scholarship program, priority is given to higher scientific education, such as medical research, control of infectious diseases, and other research topics related to sustainable resources, including agricultural water resources and food cultivation.

<sup>11</sup> Canada. Department of Foreign Affairs and International Trade. <http://www.international.gc.ca/international/index.aspx?view=d> (Consulted on 5 November 2011).

<sup>12</sup> In fiscal year 2008-2009, the IDRC offered US\$ 205 in resources of which US\$ 175.7 (85.5 %) were parliamentary credits. Report to Parliament 2008-2009.

## 16

have better health, in addition to looking for ways to apply science and technology to improve their living standards.

The IDRC connects the youngest and most talented students in developing countries with Canada's academic talent in order to collaborate in avant-garde projects.

Following are some of the projects that are currently in force:

- **Impact of the Diaspora on the Ability to Resolve Conflicts and Crises**

This project supports a comparative research on how the movement of people becomes an agent of change in countries experiencing longstanding conflicts or crises, or lead to a difficult transition. The study analyzes and compares the cases of Haiti, Sri Lanka and Liberia, and is carried out in collaboration with the University of Oxford.

- **Impact of Climate Variability in the regions of the Coast of Argentina and Uruguay in the estuary of the Rio de la Plata**

This project is aimed at assessing the current and future vulnerability of the coasts of Argentina and Uruguay in the face of the various climatic changes that local communities will have to deal with in the short and long term, taking into consideration the current and future physical, socioeconomic and institutional conditions. This project is carried out in collaboration with the International Institute for Environment and Development.

- **Floods, droughts and cultures in the region of the Pampas in Argentina and Chaco in Paraguay**

This project enables a team of scientists from both countries to explore the reciprocal links between climate change, land use, crop and hydrology decisions both on small farms as well as in river basins. This project is carried out in collaboration with the National Council of Scientific and Technical Research from Buenos Aires.

- **Budget Plan in Uruguay: Political Economy of the Public Sector on Budgets**

This project supports the final editing, publishing and dissemination of the book "Budget Plan in Uruguay: Political Economy of the Public Sector on Budgets." This publication is divided into five chapters dealing with the public sector budget plan, referring to comparative evidence obtained from other Latin American countries and the OECD. This book is expected to provide an analytical framework that presents the political and institutional factors that affect the process of public budgeting. This project is carried out in collaboration with the Centre for Economic Research of Montevideo, Uruguay.

- **Equity in the health sector and its Financing: Building and Strengthening Networks in Developing Countries**

Three regional networks sponsored by the IDRC separately investigate inequalities in the health sector, its financing and services. The networks are: Strategies for Health Insurance for Equity in Less Developed Countries, Equity in Asia-Pacific Health Systems and Latin American Research Network on Financial Protection (LANET), for Africa, Asia and Latin America, respectively.

**d. Ministry of National Defence.** Through the *Operation Horatio*, the Canadian armed forces participate in the efforts of the Government of Canada in the humanitarian aid to Haiti in the aftermath of four hurricanes: Fay, Gustav, Hanna and Ike in 2008.<sup>13</sup> The Canadian Armed Forces were part of the Joint Task Force Haiti, which includes all Canadian assets deployed in the humanitarian aid mission in Haiti, including the Interdepartmental Strategic Support Team (ISST) and the HMCS Halifax class frigate St. John. In coordination with the World Food Program, the Government of Canada helped transport supplies and deliver food in the region south of Port-au-Prince.

**e. Ministry of Health.** Canada has committed to undertake activities to address the health problems of the citizens of the Americas through the exchange of information and knowledge in order to deal with the health problems affecting the region. Canada is collaborating with the Pan American Health Organization (PAHO) and with the technical health agency of the Organization of American States (OAS). PAHO's mission is to lead strategic collaborative efforts among Member States and other partners to promote equity in health, combat diseases, improve quality of life and extend the useful life of the peoples of the Americas.

It is worth mentioning that Canada has been an active member of PAHO since 1971, playing a leading role in promoting issues of governance and policy agenda in the Organization. Through PAHO, Canada offers technical cooperation and capacity building. Canadian technicians are regularly called on to participate in regional meetings and the development of projects. Health projects are available through the Budget of PAHO's Biennial Work Plan Canada, led by the Ministry of Health of Canada and PAHO, which has enabled collaboration between Canada and Latin America and the Caribbean to further strategic priorities of health. For example, the support of PAHO and the Ministry of Health of Canada allowed the collaboration between the Children's Hospital of Eastern Ontario (CHEO) and the Children's Hospital of Oaxaca in Mexico. This support has allowed a series of professional exchanges and visits, strengthening the technical capabilities of the Children's Hospital of Oaxaca and helped attract additional resources for ongoing projects. Through the staff training in immunofluorescence, a laboratory technique that allows rapid and accurate detection of the virus and its differentiation, the diagnosis of viral respiratory infections has been strengthened. Such experience served to provide a better quality of life for the children of families living in extreme poverty. The CHEO-Oaxaca twinning project was expanded to include a large university hospital in Guadalajara and two new mother/newborn centres in the state of Guerrero.<sup>14</sup>

**f. Ministry of the Environment.** The Ministry of the Environment of Canada recognizes that international cooperation on environmental issues is increasingly important, and environmental sustainability is an essential element for the world's economic and social development. Therefore, Canada provides support to developing countries in their efforts to protect and manage their environments more sustainably. In 2008-2009, the Ministry of the Environment of Canada provided ODA through two types of activities: support to multilateral environmental organizations, and bilateral technical cooperation with developing countries.

---

<sup>13</sup> Ministry of Defence of Canada. <http://www.comfec-cefcom.forces.gc.ca/pa-ap/ops/horatio/index-eng.asp>.

<sup>14</sup> Pan American Health Organization. <http://new.paho.org/can/> (Consulted on 01 November 2011).

## 18

Through triangular cooperation, Canada provides support to several multilateral organizations to assist developing countries in increasing environmental protection, thus improving the living conditions of vulnerable sectors of the population in these countries.

At the multilateral level, the Ministry of the Environment of Canada provides annual support to the United Nations Fund for the Implementation of the Montreal Protocol to help developing countries with the costs of eliminating ozone-depleting substances. Canada conducts bilateral projects in developing countries through direct cash payments to the fund. The fund's resources are used to ensure that the elimination of these substances does not adversely affect the economies of developing countries. Canada also supports the United Nations Environment Programme (UNEP), which allows the latter to fulfil its basic mandate to serve as the environmental authority in the United Nations system.

At the bilateral level, Canada also offers technical cooperation to several developing countries on environmental issues that directly affect the environment and well-being of the citizens of developing countries. In 2008-2009, Canada provided bilateral technical support for the development of environmental monitoring techniques. The Canadian personnel conducted training seminars for officials from developing countries, consultants, representatives of the cellulose plant, environmental researchers and scientists from Argentina, Brazil and Chile on the effects of cellulose mill effluents in the environment. Canada also provided technical support to developing countries in the conservation of wildlife. In 2008-2009, Canada with the support of the Neo-tropical Census of Aquatic Birds in 11 South American countries, collected information on the use of wetland birds. Canada also provided support for the coordination of the Southern Cone Grasslands Alliance, an initiative for the conservation of birds in the southernmost areas of South America. The key to the success of this program is to develop a conservation ethic for farmers, leading to profitable beef production without the loss of biodiversity. Also in the context of the Agreement on Environmental Cooperation between Canada and Chile, Canada is working with the Chilean Government to strengthen the environmental cooperation between the two countries and the effective enforcement of domestic environmental laws as well as the regulations by means of which Canada supports the sustainable development policies promoted by the Government of Chile.

**g. Ministry of Labour.** The Ministry of Labour negotiates and administers the Labour Cooperation Agreements of Canada, parallel agreements to the Free Trade Agreements (FTAs) signed by Canada. The aim of these agreements is to improve working and living conditions in the signatory countries, and protect and promote the basic rights of workers. In addition to negotiating the Labour Agreements, the Ministry provides technical assistance to developing countries through training projects that support the modernization of the labour policy and administration, to promote better enforcement of the national labour law and a greater respect for the basic labour standards.

Through the International Trade and Labour Program (ITLP) – a program of subsidies and contributions established in 2004 – technical assistance is offered. The ITLP seeks to strengthen the institutions of democratic governance, promoting economic growth, respecting the rights of workers and improve working conditions in partner countries of Canada.

In the fiscal year 2008-2009, CAD 150,000 were allocated to initiate the implementation of a project on industrial relations in Colombia to strengthen the Permanent Commission on Labour and Wage Policies and its sub-commissions. The project will contribute to strengthen existing synergies and foster the development of new synergies between

government, employers and unions in the Tripartite Agreement to promote freedom of Association and Democracy, signed in June 2006.

The Ministry provides 750,000 Canadian dollars to the Inter-American Network for Labour Administration in order to boost its capacity for programming. A portion of these funds was used for three key hemispheric workshops: "Occupational Safety and Health" (Peru, October 2008), "Public Employment Services" (Panama, December 2008) and "Labour Migration and Migration of the Market Information Systems Labour" (Canada, February 2009). The third of these workshops, held in the city of Quebec in February 2009, brought together representatives of the Ministries of Labour of 22 countries, as well as members of the Trade Union Technical Advisory Council (on behalf of the workers of the Americas) and the Business Technical Advisory Committee on Labour Matters (on behalf of the employers of the Americas) as well as the International Labour Organization, the International Organization for Migration and the OAS. The main objective of this workshop was to discuss ways of work of the market information systems to support the development of migration policies and help mitigate the impacts of the current global economic crisis.

Part of the funding for the Inter-American Network for Labour Administration is also used to implement the Cooperation Fund of the RIAL, which facilitates small bilateral exchanges between the Ministries of Labour of the Americas. In March 2009, 20 new cooperation activities were approved. A major strength of the fund is that the contents of each cooperation activity conform to the needs and interests of the participating ministries. The fund is showing promising results such as the reformulation of the internal procedures, the drafting of the legislation, the modernization of the management processes, and the creation and redefinition of the functions and structures. These initiatives help strengthen the administration of labour in the region and therefore compliance with basic labour standards.

**h. Civil society stakeholders.** Canadian civil society has played an important role in the country's provision of IDC to Latin America and the Caribbean. Annex I lists civil society stakeholders that have served as partners of CIDA in the Canadian IDC worldwide.

It should be noted, however, that the priority given to security issues and specifically to man-made disasters has led Canadian assistance to have fewer resources to contribute to poverty reduction and compliance with the MDGs. One of these effects has been that the Canadian contribution through NGOs has dramatically decreased, which has impacted IDC towards LAC. In 2004, only 32% of the budget was channelled to community organizations in developing countries to implement their own development projects and coordination with the Canadian civil society has also decreased. From 2000 to 2005, the allocation of resources for foreign assistance of CIDA to Canadian NGOs dropped from 30% to less than 20%. Although there have been efforts to promote greater participation of civil society in programs to reduce poverty, many NGOs have faced adverse conditions to promote such projects, delays in funding and a slow bureaucracy that hinders the planning of the programs, in addition to being constantly audited and evaluated, leading to further complications for the civil society to offer cooperation in the developing world.<sup>15</sup>

---

<sup>15</sup> See Vanesa Gordon, "The Reality of Canadian Official Development Assistance: aid falls on the Rideau", April 1, 2010, <http://www.alterinter.org/article3461.html?lang=fr>.

### 3. CANADA'S RESOURCES FOR ODA

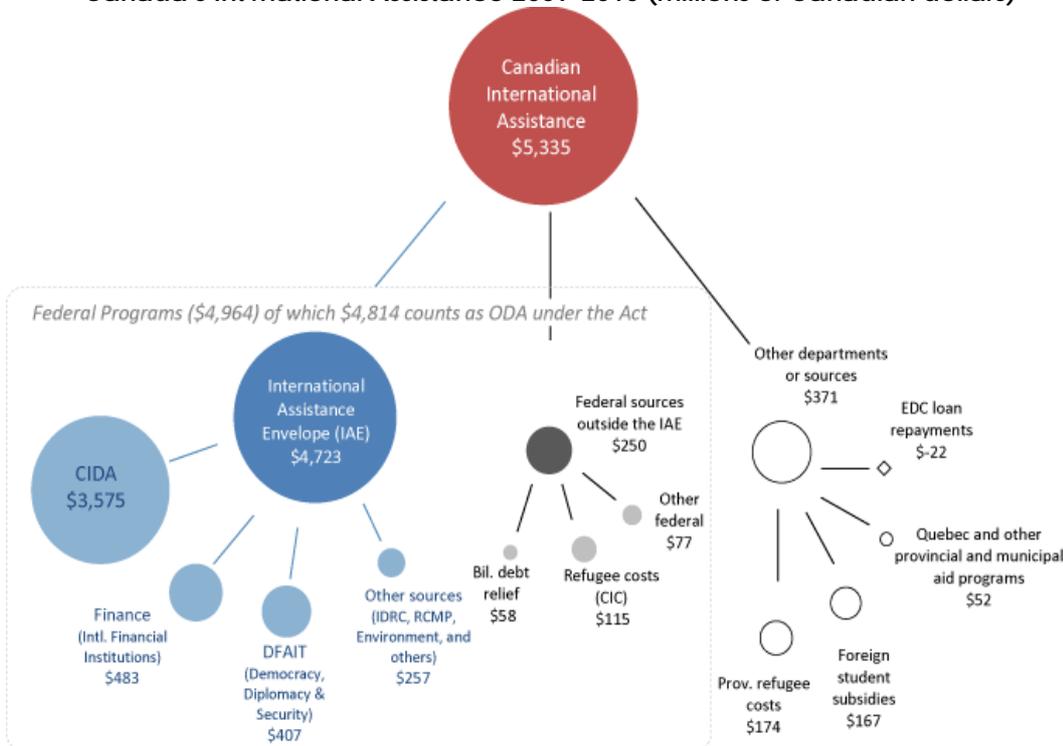
The Development Assistance Committee (DAC) of the OECD defines official development assistance (ODA) as all loans or grants to developing countries and multilateral agencies active in development programs with the main objective of promoting economic development and well-being. Technical cooperation is included in this category. However, DAC members and other donors also provide development assistance, which is not included in the definition above.

Traditionally, Canada has been a major donor in international development cooperation, with a growing presence. In the 1970s, Canada disbursed CAD 1,349 million, in the 1980s it grew to CAD 1,795 million; in the 1990s to CAD 1,965 million, and between 2000 and 2006 to CAD 2,065 million. Between 2004 and 2006, Canada ranked seventh among the largest bilateral donors in the world with a net outlay of CAD 2,452 million. In 2006, Canada moved to the 10th place among the donors of the Development Assistance Committee (DAC) of the OECD with a net disbursement of CAD 2,531 million. In 2008, the Canadian official development assistance amounted to CAD 4,730 million.

In Canada, the term international assistance is far broader than ODA, and refers to the help included in the International Assistance Envelope (IAE) that contains the federal government budget allocations for international cooperation programs, including allocations to CIDA, the Department of Foreign Affairs of Canada, and the Department of Finance, among others.

CHART 2

Canada's International Assistance 2009-2010 (millions of Canadian dollars)

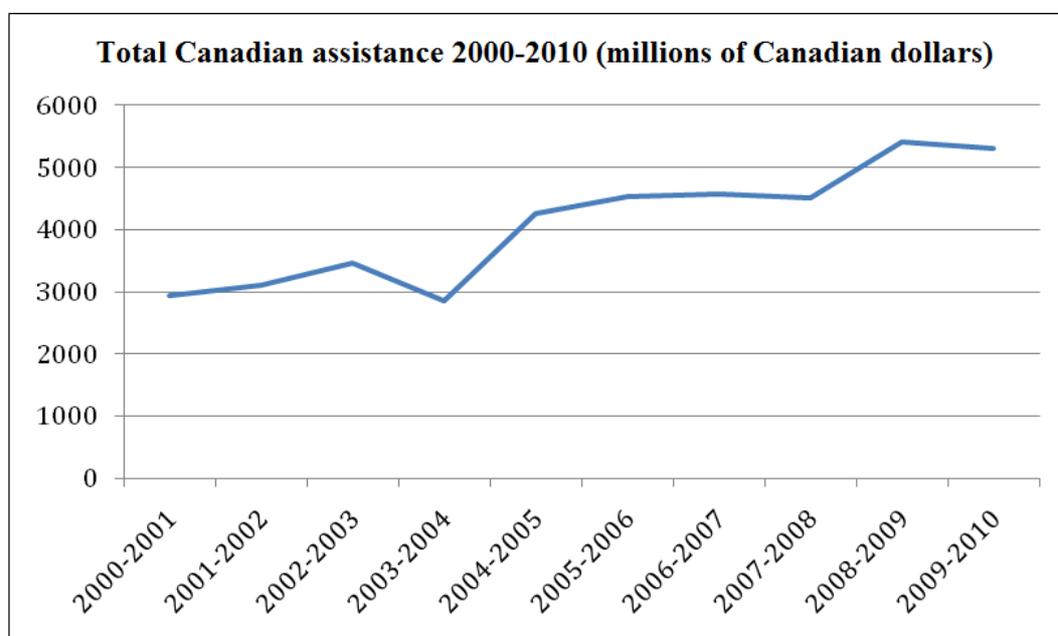


Source: CIDA, Statistical Report on International Assistance 2009-2010, <http://www.acdi-cida.gc.ca/acdi-cida/acdi-CIDA.nsf/eng/CAR-616135752-P3Q>.

It should be noted that not all components of the international assistance portfolio are included in the calculations of the ODA, and that the ODA at the same time includes other disbursements, outside of the portfolio mentioned, such as debt relief, contributions from provincial and municipal governments to development aid, and the costs of new refugees and students from developing countries in Canada.

For example, the portfolio of international assistance for 2006-2007 amounted to CAD 3,870 million, but net ODA reached CAD 4,230 million. In that year, CIDA operated, managed and was responsible for 67% of the ODA, while the Department of Finance was responsible for 14.4% of the budget and the Department of Foreign Affairs and International Trade had 4.3%. According to official data from the Ministry of Cooperation of Canada, the resources dedicated to it reached CAD 5 billion for the 2010-2011 biennium, of which most was allocated to ODA.<sup>16</sup>

CHART 3

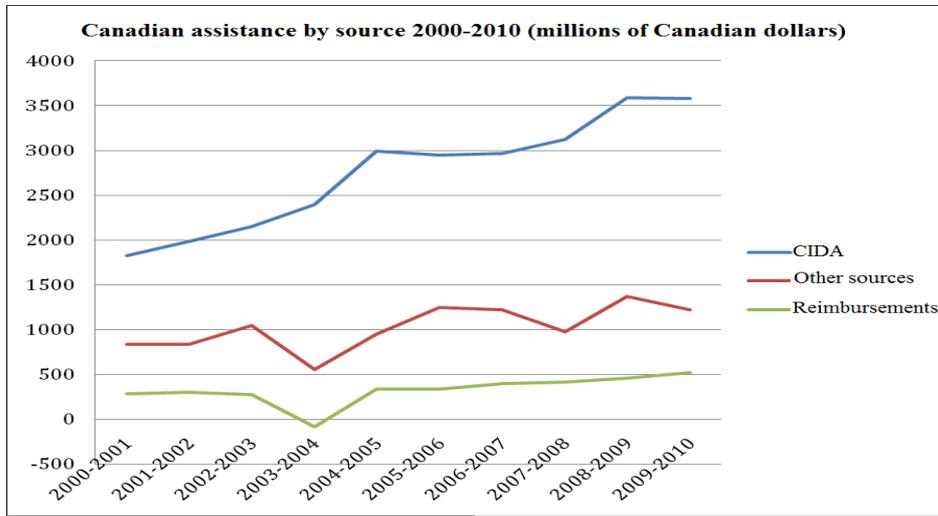


Source: CIDA Statistical Report on International Assistance-Country Spending, Data Sets 2000-2010, <http://www.acdi-cida.gc.ca/acdi-cida/acdi-CIDA.nsf/eng/CAR-616135752-P3Q>

During the 2007-2008 period, CIDA allocated CAD 492.1 million to development assistance for Latin America and the Caribbean. Major recent commitments to aid include CAD 600 million over 10 years in the Caribbean, focusing on governance and private sector development.

<sup>16</sup> Canadian International Development Agency. Report to Parliament on the Government of Canada's Official Development Assistance – 2008-2009 (<http://acdi-cida.gc.ca/acdi-cida/acdi-cida.nsf/eng/NAT-9288209-GGP#message>). Consulted on 15 November 2011.

CHART 4



Source: CIDA, Statistical Report on International Assistance-Country Spending, Data Sets 2000-2010, <http://www.acdi-cida.gc.ca/acdi-cida/acdi-CIDA.nsf/eng/CAR-616135752-P3Q>.

Although Canada has a goal of allocating 0.7% of its GDP to development and ranks 16th among the 22 countries of the Development Assistance Committee (DAC) of the OECD, its contribution in 2007, in terms of its GDP, was lower than in 1969. Canadian ODA has never met that percentage, but in the 1986-1987 period it did reach 0.5%. During the 1990s, funding for Canadian international assistance programs was significantly reduced. In 2000, the percentage of the GDP for the ODA dropped to 0.25%, and Canada ranked 17th among the 22 DAC members. Canada, like the other members of the DAC of the OECD, is far from fulfilling its commitment to devote 0.7% of its GDP to development (Gordon 2010). As of 2000, the government substantially increased the ODA spending, which in 2000-2001 went from CAD 2,600 to CAD 4,200 million in 2006-2007.

However, in 2008, the member countries of the OECD's DAC allocated on average 0.47% of their GDP to the ODA. Both Canadian NGOs and international observers have criticized the Canadian government's unfulfilled goal of 0.7%. To meet this goal in 2017, the Canadian Council for International Cooperation estimates that Canada's ODA should increase 15% annually over the next ten years. Since 2002, the Canadian House of Commons Standing Committee on Foreign Affairs and International Trade has repeatedly and continually recommended to the government the need to increase their efforts to achieve the target of allocating 0.7% of the GDP to ODA. Finally, in June 2005, this Committee submitted a report which was unanimously approved by the House of Commons, which agrees to act to meet the Millennium Development Goals and commit, through a plan to increase the Canadian budget to development assistance from 12% to 15%, and thus achieving to allocate 0.5% of the GDP in 2010, and 0.7% of the GDP by 2015. However, the debate continues over whether it is more important to increase the volume of aid or better focus on the effectiveness and efficiency of the current development assistance programs.

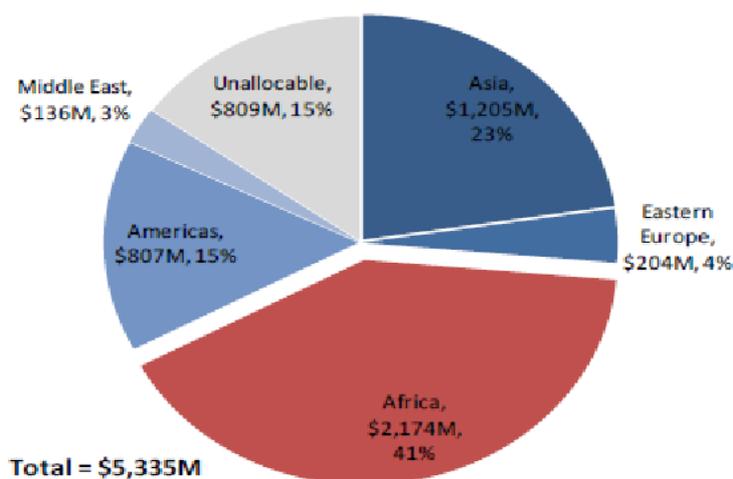
In terms of countries or regions, ODA resources from Canada have concentrated mainly in Sub-Saharan Africa and Asia (including Afghanistan), as shown in the following table:

**Table 3**  
**Distribution of Canada's Official Development Assistance, by region**

<i>Total assistance by continent</i>	<i>Millions of Canadian dollars</i>
<i>Americas</i>	541.5
<i>Northern Africa and Middle East</i>	134.38
<i>Sub-Saharan Africa</i>	1,357.00
<i>Eastern Europe</i>	42.84
<i>Asia</i>	695.21
<i>Others</i>	168.73
<b>TOTAL</b>	<b>2,939.66</b>

Source: CIDA Financial Details – 2009-2010 in "Development for Results 2009-2010: At the Heart of Canada's Efforts for a Better World", <http://www.acdi-cida.gc.ca/acdi-cida/ACDI-CIDA.nsf/eng/NAD-325132025-NCB#a8>.

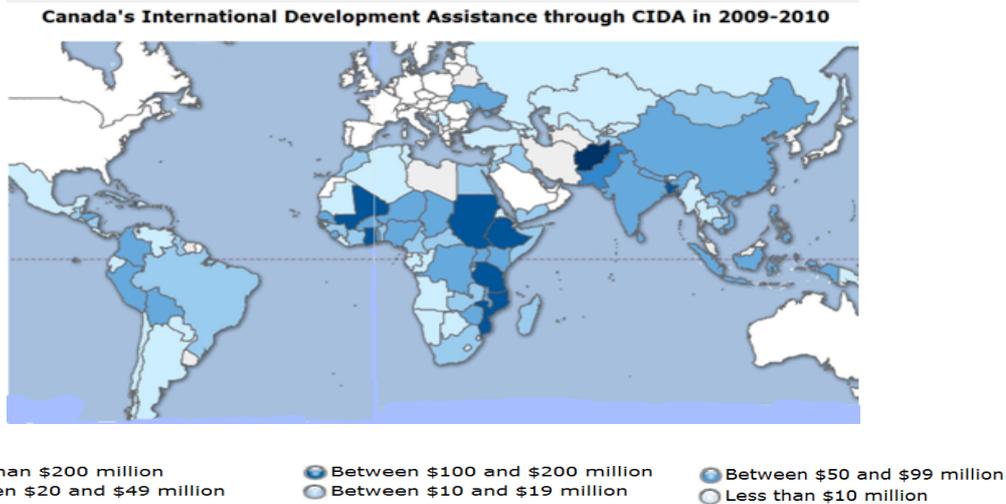
**CHART 5**  
**Geographic distribution**



Source: CIDA, Statistical Report on International Assistance, Fiscal Year 2009-2010, p. 6.

Although the financial crisis in 2008 could have been a drag on Canadian ODA, it has not been the case, and Canada's international cooperation remains strong. However, the resources allocated to LAC are only 15% of the total ODA reported by Canada.

CHART 6

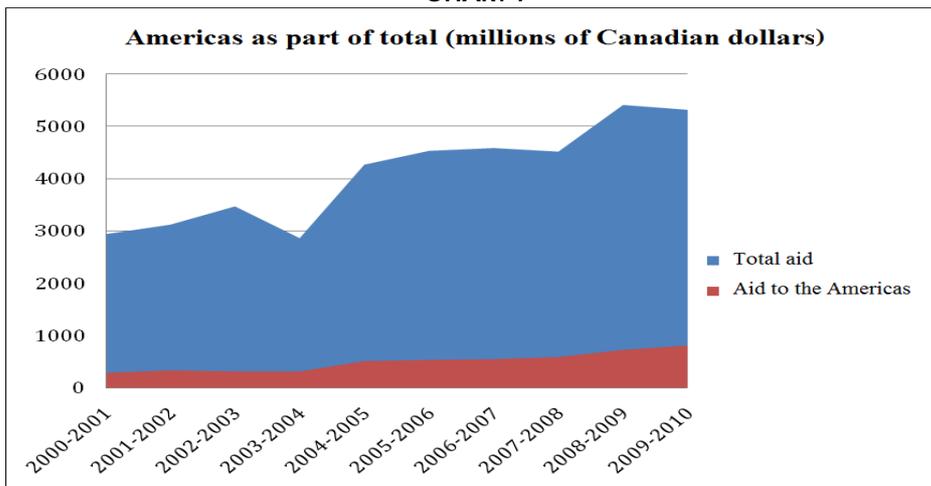


**4. CANADA'S IDC AREAS AND PROGRAMMES IN LAC**

The international development cooperation offered by Canada has a long history in Latin America and the Caribbean. This has occurred through both governmental actors at the federal, provincial and territories levels, as well as civil society through the work of stakeholders as diverse as state-run enterprises, the private sector, civil society organizations (CSOs), academic institutions and the immigrants of various LAC countries who have acted as bridges to develop such cooperation. In the academic field, more than 80 Canadian universities and colleges have established academic exchange agreements with institutions in the region.<sup>17</sup>

However, Canadian ODA to LAC has been increasing over the last ten years. In the period 2009-2010, aid to LAC represented only 15% of the total Canadian aid allocated to the world.

CHART 7

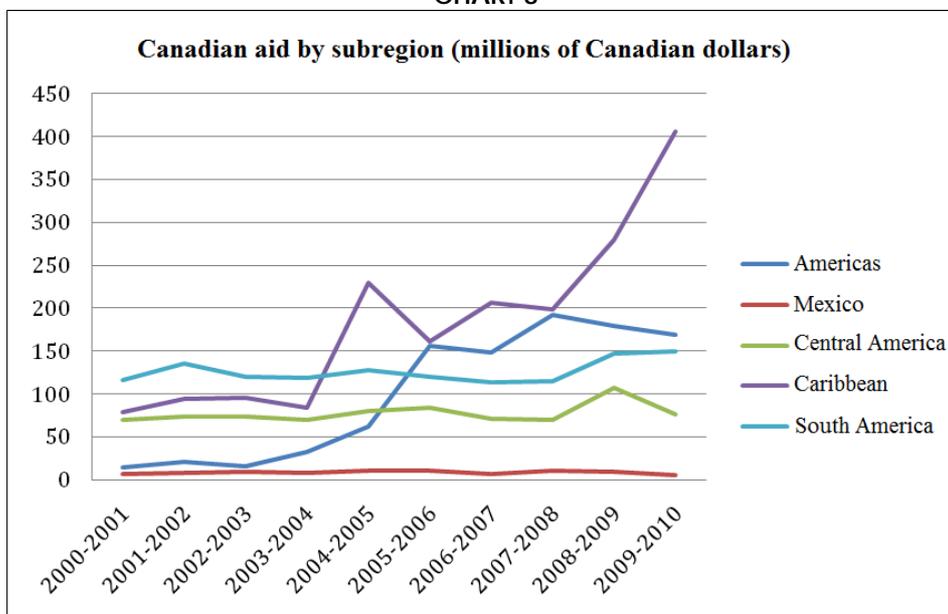


Source: CIDA, Statistical Report on International Assistance, Data Sets 2000-2010, <http://www.acdi-cida.gc.ca/acdi-cida/acdi-CIDA.nsf/eng/CAR-616135752-P3Q>.

<sup>17</sup> See Canada. 2009. "Canada and the Americas. Priorities and Progress ", p 7.

In the period 2009-2010, the total Canadian aid amounted to CAD 5,335 million, out of which Africa received 41% with CAD 2,174 million, followed by Asia with 23% (CAD 1,205 million) and the Americas with 15 % (CAD 807 million).

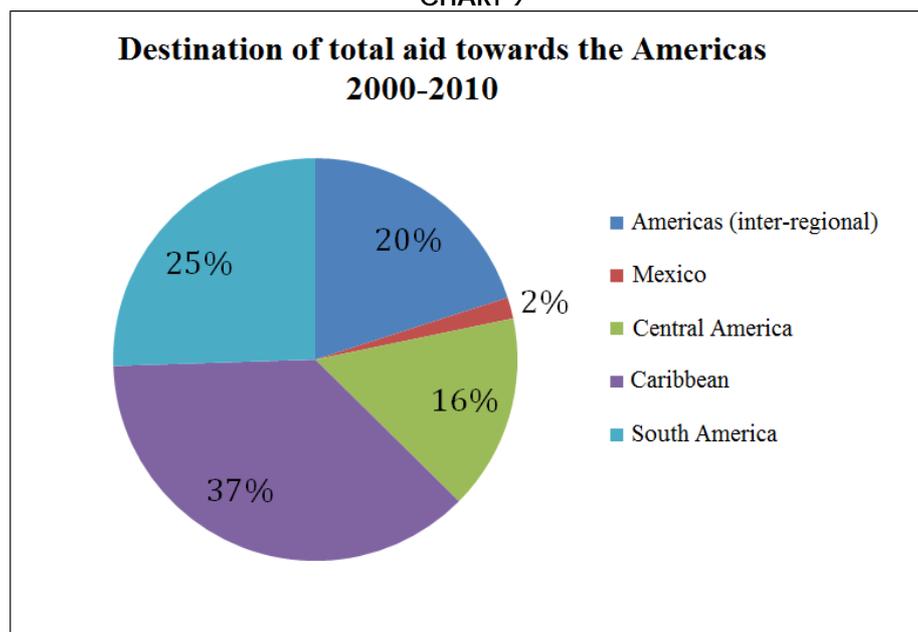
CHART 8



Source: CIDA, Statistical Report on International Assistance, Data Sets 2000-2010, <http://www.acdi-cida.gc.ca/acdi-cida/acdi-CIDA.nsf/eng/CAR-616135752-P3Q>.

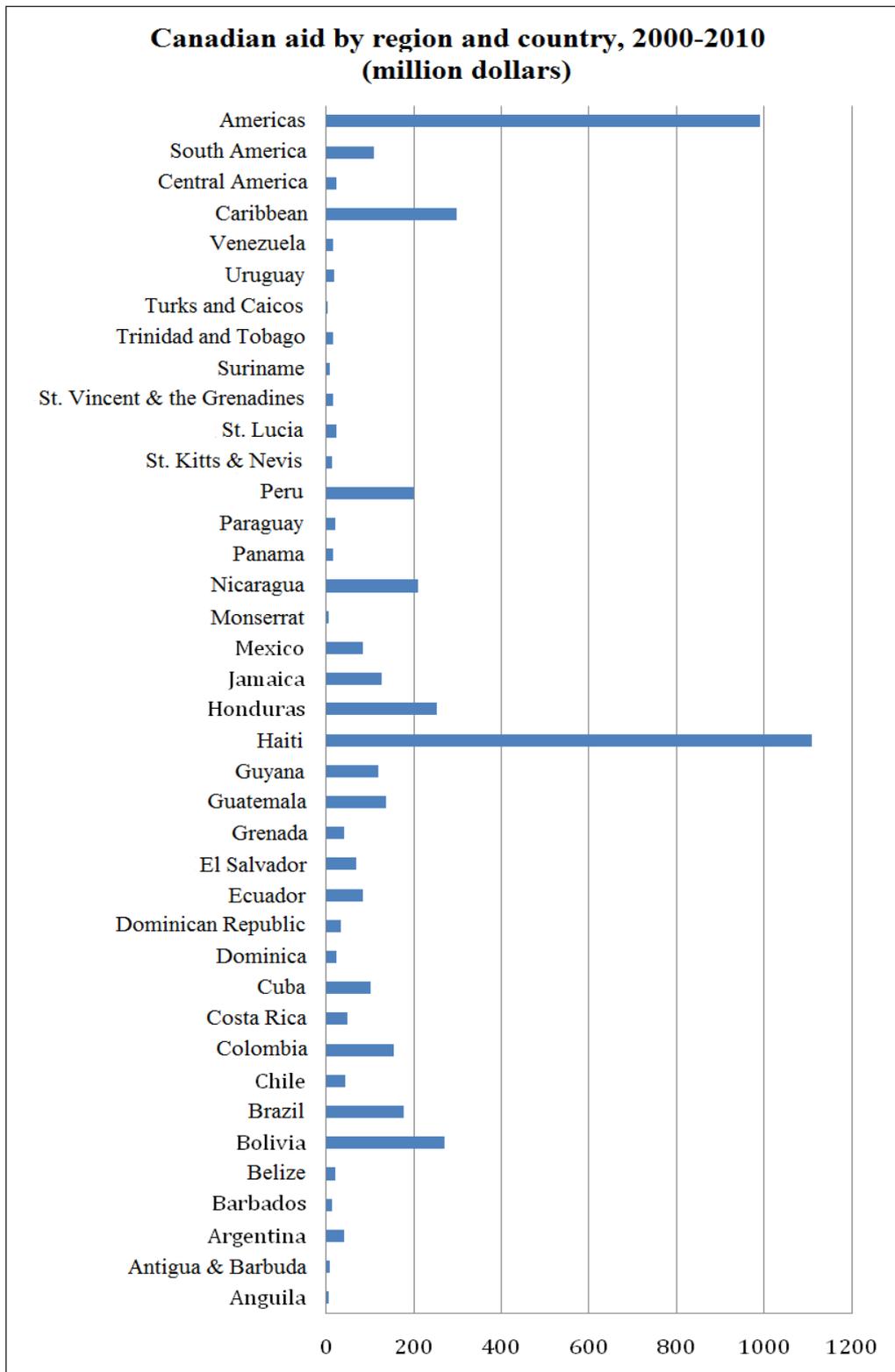
In the region of the Americas in the last ten years, Canadian aid has been increasing in the Caribbean region, as shown in both charts, and in the other regions of the hemisphere it has remained at the same levels.

CHART 9



Source: CIDA, Statistical Report on International Assistance, Data Sets 2000-2010, <http://www.acdi-cida.gc.ca/acdi-cida/acdi-CIDA.nsf/eng/CAR-616135752-P3Q>

CHART 10



Source: CIDA, Statistical Report on International Assistance, Data Sets 2000-2010, <http://www.acdi-cida.gc.ca/acdi-cida/acdi-CIDA.nsf/eng/CAR-616135752-P3Q>

## **Canada's bilateral cooperation with selected countries in LAC**

For over thirty years, the government of Canada, through CIDA, has promoted the development and humanitarian assistance in Latin America and the Caribbean. In July 2007, Prime Minister Stephen Harper announced that Canada was committed to play a major role in the continent, and outlined the three objectives that make up this new commitment: 1. promotion of democratic values; 2. strengthening of economic relations; and 3. attention to new security challenges in the region.

From the standpoint of the Government of Canada, most LAC countries have democratically elected governments. The region is extremely diverse, as in it we find one of the poorest countries of the world such as Haiti, and one of the most powerful industrial nations, such as Brazil. As mentioned above, despite the region's economic progress, poverty and inequality remain the main challenges. Around 175 million people live in poverty, being most affected the children, women, and the rural and indigenous communities. Moreover, the lack of access to health facilities, education and productive sectors perpetuate this imbalance. The region also suffers from high levels of volatility due to political instability, high criminality rates and violence, environmental degradation, climatic affectations and economic fluctuations that worsen poverty, inequality and social tensions.

Therefore, Canadian international assistance in the region focuses on those countries with the greatest needs at reducing poverty and inequality. A group of Latin American countries that have the characteristics mentioned above was chosen: Bolivia, Colombia, Haiti, Honduras, Peru and the Caribbean. The following describes the Canadian cooperation bilateral programs in these countries.

### **BOLIVIA**

In Bolivia, CIDA programs are conducted in accordance with the principles of the National Development Plan of Bolivia, which establishes the goals of the Bolivian government to build a new society more just, equitable and economically strong that contributes to the social, democratic and economic dimensions of the country's development.

The objective of CIDA is to support the construction of a more equal society in which poverty is reduced and improved quality of life of vulnerable and marginalized populations is improved. Specifically, CIDA focuses on providing the means to a better future for children and young Bolivians, as well as creating conditions for a sustainable economic growth. CIDA continues to support key institutions such as the National Electoral Court and the Comptroller General of the State to strengthen democratic processes, transparency and accountability. Regarding the environmental challenges, the goal is to achieve greater emphasis on corporate social responsibility initiatives.

In 2009-2010, CIDA allocated CAD 28.76 million to projects in Bolivia.

In the area of children and youth the following was achieved: support to implement national standards for the planning and management of health services in the departments of Beni, Pando and Oruro; significant increase in the number of births in health clinics of these departments (74% in Beni, Pando and 86% in Oruro); increased services of mobile health brigades in the selected communities, from 65% in 2008 to 90% at present; increase in the number of children who received complete vaccination packages (80% in Oruro, 87% in Beni and 77% in Pando); delivery of food supplements to an increased number of infants (from 18% in 2008 to 24% in this period) and increased

## 28

number of pregnant women who managed to attend at least four prenatal visits (from 63% in 2008 to 71% in this period).

In the area of sustainable economic growth, the new cooperative industry was supported in the production processing and marketing of herbs and spices, in this case, oregano and essential oils.

The main Canadian partners of CIDA in this country are Micronutrient Initiative, IBM Canada, SOCODEVI (Canadian Society for International Development), Federation of Canadian Municipalities, CUSO-VSO (Canadian University Service Overseas-Voluntary Service Overseas) Oxfam-Quebec and Canadian Crossroads International. At the multilateral level the following agencies are also involved: UNICEF, IDB, World Food Program, UNDP, UN Population Fund, Global Fund to Combat AIDS, Tuberculosis and Malaria, and the World Bank.

### **COLOMBIA**

In Colombia, CIDA supports the efforts of the government to achieve the goals outlined in its National Development Plan.

The primary objective of Canadian international assistance in this country is to improve human rights and reduce inequality and poverty in the most vulnerable population, with special emphasis on children and youth. By focusing on these two groups, CIDA seeks to break the cycles of violence that have plagued Colombia, and prepare future generations to integrate into legitimate economic activities. CIDA works with communities to attract youth at risk of becoming involved in the internal conflict, by providing young people with other options. Schools work with these youth and their families to reduce violence and promote peace.

In addition, CIDA's work in the areas of economic development and food security seeks to ensure that young people and farmers have options to participate in productive work, thus avoiding their engagement in illegal activities.

In the period 2009-2010, the Agency allocated CAD 20.75 million to Colombia and obtained the following results:

In the area of children and youth, 45,000 children were prevented from participating in illegal activities; 40 schools were helped to put in place measures for inclusion and quality of education; 357 teachers in seven schools were trained in alternative peace building approaches to communication; 4,000 people were helped to understand their responsibility, in accordance with UN resolution 1612, to protect children in armed conflict areas; to eleven schools and three adult education centres in the department of Nariño were counselled so that they could finalize their plans for educational improvement, and 2,500 children and youth were enrolled in alternative programs to return to school.

In the area of food security, help was provided to Ecofondo, an organization of 200 Colombian NGOs to develop environmentally sustainable agricultural projects and programs as alternatives to coca cultivation, and collaboration was given to produce more than 1,307 acres of agro-ecological land, directly benefiting 1,008 families and indirectly 30,000 members of communities.

The main Canadian partners in Colombia are Save the Children Canada, International Canada, Development and Peace, Executive Services Overseas, Canadian Labour

Congress and the YMCA, and the multilateral partners are UNICEF, UNHCR, UNDP, World Bank, IDB and the United Nations Population Fund.

## HAITI

In Haiti, CIDA responded quickly and effectively to the devastation caused by the earthquake of 12 January 2010. Although the Agency already implemented programs to improve the lives of the Haitian population, it did not hesitate to launch coordinated efforts with already established partners to help the victims of that natural disaster.

As an extension of this humanitarian aid, CIDA re-evaluated its programs to ensure they go according with the priorities of the government of Haiti, in the sense of achieving a speedy recovery, reconstruction and development of the country. The objective of CIDA is to continue implementing its bilateral programs as well as responding directly to the needs identified by the Haitian government.

It should be noted that Canada has been able to contribute visibly to the Haitian child health, education and to fighting hunger and malnutrition. For example, Canada has provided food aid through large-scale programs to schools and has been supporting agricultural development.

Moreover, the involvement of the civil society and international organizations has been essential to the work of CIDA in developing countries. Several Canadian organizations, many international organizations and UN agencies continue to participate actively in Haiti. These partners work in several areas of interest such as humanitarian assistance, income-generating activities, agriculture, health, environment, gender equality and democratic participation.

In the period 2009-2010, CIDA allocated CAD 256.17 million to Haiti and obtained the following results:

In the area of children and youth, CIDA helped provide access to quality health services for sexually transmitted infections to 1,140,000 Haitians, including youth in eleven of the 15 municipalities of the Artibonite region.

Regarding food security, over three million agricultural implements, 176 tons of grain, 120 tons of manure and 38 tons of compost were distributed to Haitian farmers to help improve their production.

In the area of sustainable economic growth, more than 35,000 Haitians became clients of 48 credit unions, which represented a 17% increase in loans, 16% in savings, and 13% in membership.

In the area of governance, more than 48,000 official identifications were manufactured and produced, allowing the population to access public services and vote in the elections. In addition, CAD 12 million were allocated for the temporary construction of key Haitian government offices.

In humanitarian assistance, CIDA participated in the delivery of food to 4.3 million Haitians, water and sanitation services to 1.3 million Haitians, temporary housing to 370,000 families, and emergency supplies after the earthquake.

In the specific case of the cholera epidemic, to March 2011, Canada contributed CAD 8.5 million to fight this disease. It should be noted that Canada is one of the major

## 30

donors that has provided drinking water, rehydration sachets and other treatments to the Haitian people, and has supported prevention programs.

The main partners of CIDA are: the government of Haiti, Canadian organizations such as the Centre for International Studies and Cooperation, Oxfam-Quebec and Développement International Desjardins. At the multilateral level, efforts have been coordinated with the World Bank, IDB, UNDP, World Food Program and the OAS.

### **HONDURAS**

The objectives of CIDA in Honduras are in line with the country's National Plan for Development and the 2010-2015 Poverty Reduction Strategy, which established the priorities in the fields of education, health, and poverty reduction.

Furthermore, the Honduran government explicitly requested the help and expertise of Canada for dealing with specific needs in the areas of health, education, and agriculture. CIDA provides consultancy to the government and its local and Canadian partners, through its help programme in Honduras.

During the 2009-2010 period, CIDA granted CAD 25.97 million and the following objectives were reached:

In the area of food security, three projects, aimed at increasing the income of small scale producers, were launched in order to foster agricultural productivity and diversity, as well as to promote sustainable practices for resources and land management.

As for childhood and youth, programmes aimed at preventing AIDS and providing services for underage pregnant women were promoted; programmes for the promotion of health and hygiene services for 28,000 beneficiaries were carried out; 565 beneficiaries were provided access to potable water, and they participated in the construction of 241 latrines; the daily distribution of meals for schools and the provision of deworming treatment benefiting 110,017 children between the ages of 5 and 18, were also fostered.

The Canadian partners of CIDA in that country are Oxfam-Quebec, Canadian Red Cross, CARE Canada, SOCODEVI, CUSO-VSO, Canada World Youth, Canadian Cooperative Association, USC Canada, and, at the multi-lateral level, the World Food Programme, UNICEF, the United Nations Population Fund, World Bank, IDB, and UNDP.

### **PERU**

Peru established a framework for donations through its 2006-2010 National Policy on International Technical Cooperation, which includes national, regional, and sectoral policies as part of the country's development plan.

In the 2009-2010 period, CIDA contributed with CAD 24.01 million in assistance obtaining the following results:

As for childhood and youth, specifically education, some achievements include: increasing the reading comprehension level among second grade students in the Department of Libertad, from 3.9% in 2008 to 16% in 2009; and their level in mathematics from 5.3% to 15.4%. Moreover, teachers working with disabled children and in poor communities were provided with training. Parents' knowledge about the early development of their children was also raised. These teachers have continued training more than 100 of their colleagues.

As for economic growth, the PERCAN Project (Peru-Canada Mineral Resources Reform Project) whose goal is to contribute to the institutional capacity of the Ministry of Energy and Mines and its regional offices in the area of mining, for better complying with the objectives established by law, that is, to promote investments and harmonious relations in the mining activity.

The PERCAN Project seeks to strengthen and improve the capacity of the Ministry and its regional offices, in relation to other actors or interest groups in the mining sector (communities, communal grassroots organizations, civil associations, local governments, universities, NGOs, the private sector, among others), by developing and providing the best operational and administrative practices available worldwide.

Concerning the 2007 earthquake, CIDA supported the CARE Huancavelica reconstruction Project, through which 414 houses were built, and provided methodology and technology for the National Rural Housing Programme.

Additionally, it is worth underscoring that CIDA participated in the creation of the Public Ombudsman's Office, and it is currently providing technical training for monitoring the Rule of Law, promoting the protection of human rights and the alternative dispute resolution. All this contributed to improving the quality, effectiveness and access to the services provided by the Ombudsman's Office and its regional offices.

The Canadian partners working with CIDA are: CARE Canada, Agriteam Canada, CUSO-VSO, Canadian Lutheran World Relief, Carrefour de Solidarité International, Oxfam-Quebec, Consortium WUSC-CECI, and the Canadian Cooperative Association. At the multi-lateral level, the World Bank, the PAHO, UNICEF, the World Food Programme, IDB, UNDP, the United Nations Population Fund, and the Global Fund to Fight Against AIDS, Tuberculosis and Malaria.

### **Regional cooperation with the Caribbean**

CIDA's Programme for the Caribbean region supports 14 countries, to wit: Antigua and Barbuda, the Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, and Trinidad and Tobago.

Through CIDA, Canada supports the development agenda established by CARICOM, which seeks regional integration. The long-term objective of the Agency in this region is to contribute to the construction of a more prosperous and unified Caribbean community capable of generating sustained economic growth, and to eventually offer opportunities and greater securities to its citizens. In spite of CARICOM's promotion of greater cooperation and harmonization, a broad regional development plan for each of the member States has not been developed yet.

In the Caribbean, CIDA focuses on three areas, according to the lines of action that were established to foster a sustained economic growth, a main priority in the region:

1. Supporting the **creation of a single market**, by improving regional trade and competitiveness. The support of CIDA is focused on creating a favourable environment for economic growth, by increasing the capacity and accountability of public institutions and promoting competitiveness in the private sector.

## 32

2. Improving **democratic governance** and creating more responsible public institutions. CIDA will continue strengthening the Rule of Law and judicial institutions to fight the rise of crime, and maintaining order, law, and personal security.
3. Providing new labour opportunities through the training of a new generation of Caribbean leaders.

CIDA's objectives for the Caribbean region include providing assistance to improve the capacity of the governments to offer timely response to **natural disasters**, and strengthening regional coordinating mechanisms.

During the 2009-2010 period, CIDA granted CAD 38.41 million to the region, and obtained the following results:

As for **economic growth**, the following goals were achieved:

- The agricultural productivity of Jamaica was increased, through the construction of 17 commercial greenhouses, the rehabilitation of three fishing beaches, and the training of participants.
- The women of Guyana and Jamaica obtained better access to credit through microfinance programmes.
- The agricultural income of 1.261 families was increased by more than 20%, after receiving training, agricultural implements, and information for increasing and diversifying production in Guyana.
- The national emergency management centres of five countries were renovated, and 158 people were trained through disaster preparedness programmes aimed at improving risk mitigation and reduction in Barbados, Saint Vincent and the Grenadines, and Dominica.

The Canadian partners working together with CIDA in the cooperation agenda in this region are: *Association of Universities and Colleges of Canada*, *CUSO-VSO*, *Canadian Urban Institute* y *Canadian Institute of Planners*. Contributing at the multilateral level were: the World Bank, the IMF, CARICOM, the Caribbean Development Bank, the Eastern Caribbean Central Bank, the Organization of Eastern Caribbean States, the UNDP and UNICEF.

### Inter-American Regional Programme

The Inter-American Regional Programme is par excellence the regional Programme developed by the Government of Canada to bring its cooperation aid to LAC. With this Programme, CIDA has established two goals: to stimulate sustained economic growth, and to ensure the future of the children and the youth of the region. This programme supports 23 regional projects in most of the 33 countries of LAC, and it is focused on different regional issues, such as increasing trade benefits or controlling disease propagation.

The Programme is in line with the *Americas Strategy* of the government of Canada, and it aims at the strengthening of the key regional institutions of America, such as the Organization of American States (OAS), whose second donor country is Canada, and the Pan-American Health Organization (PAHO), in which Canada ranks third. Both the OAS and the PAHO are considered to be key partners in achieving the goals established by Canada in the Inter-American Regional Programme. It is worth mentioning that the Programme is in line with the principles of regional donor harmonization and coordination, since it considers the principles of effective assistance.

Concerning economic growth, CIDA focuses on fostering a propitious environment for economic development, and on helping governments and private organizations to become connected with the global markets. All this includes the harmonization and standardization of investment and fiscal policies and the regulatory frameworks for the private sector to be able to operate with a common set of rules and regulations. The Programme seeks to provide training to more than 1,000 government employees in areas such as public financial administration, fiscal policies, customs development and management, and regulatory policies for the financial sector. Benefits derived from current or future free-trade agreements (FTAs) are expected to be obtained, including the increase in the number of exporting companies towards Canada, market access improvement, and customs proceedings reduction.

Concerning childhood and youth, CIDA is focused on preventing, detecting, and controlling the spread of contagious diseases, as well as strengthening the national health systems of the region in order to improve the access to healthcare services and their quality. Seventeen countries of LAC are expected to improve their healthcare services, so they can better address the needs of women, children, and other excluded groups. It is also expected to reach 95% immunization coverage in 765 municipalities in remote areas in order to prevent the spread of contagious diseases, which will benefit 7.2 million children.

The 23 projects of the Inter-American Regional Programme currently carried out in LAC are summarized in the following tables.

INTER-AMERICAN REGIONAL PROGRAMME  
CIDA with different cooperation partners

Projects (23 projects underway)	Partner	Total CIDA Contribution (Canadian dollars)	Period	Objective
1. Improved Health for Women, Children, and Marginalized Populations	PAHO	\$18,000,000	2011-2014	<ul style="list-style-type: none"> <li>Contribute to reducing mortality rates among women, newborns, children, and vulnerable populations in select Latin American and Caribbean countries.</li> <li>Strengthen basic primary healthcare systems and increase the protection from communicable diseases.</li> </ul>
2. Support to Regional Routine Immunization Programme	PAHO	\$10,500,000	2010-2012	<ul style="list-style-type: none"> <li>Reduce illness and deaths among children due to vaccine-preventable diseases in LAC, by focusing on marginalized populations.</li> <li>Increase vaccination coverage, by strengthening the Regional Expanded Programme on Immunization, in ways that protect the achievements to date and face the new challenges in immunization programming.</li> </ul>
3. Strengthening of the Role of Parliaments in Democratic Governance and Sustainable Development.	Parliamentary Centre	\$2,777,263	2010-2015	<ul style="list-style-type: none"> <li>Develop and implement a training programme for parliamentarians in LAC, in order to foster the quality and relevance of the inter-parliamentary dialogue on hemispheric democratic governance, gender equality, and other issues related to sustainable development in the region. This project, through which an independent network of national legislatures was created in 35 countries, including Cuba, also aims to increase the contribution made by legislatures to the V Summit of the Americas, as well as to the Inter-American Systems on relevant issues on the hemispheric agenda.</li> </ul>
4. Pan-American Health Organization (PAHO)	PAHO	\$2,000,000	2009-2011	<ul style="list-style-type: none"> <li>Strengthen the pandemic readiness of the PAHO member countries in 2009-2010.</li> </ul>

Projects (23 projects underway)	Partner	Total CIDA Contribution (Canadian dollars)	Period	Objective
Immediate Response to H1N1 Influenza Pandemic				<ul style="list-style-type: none"> <li>It was focused on addressing the emergency situation caused by the new strain of the Influenza A (H1N1), which affected the public health systems and the economies in the Americas and globally. This emergency situation demanded the immediate bolstering of the emergency response capacity of the affected member countries.</li> </ul>
5. Project for the establishment of a Regional Technical Assistance Centre	International Monetary Fund	\$5,000,000	2009-2014	<ul style="list-style-type: none"> <li>Provide support for establishing a Regional Technical Assistance Centre in Guatemala.</li> <li>This centre seeks to improve governance in the area of macroeconomic, fiscal, and monetary policies and practices, as a base for economic growth and poverty reduction in Central America, Panama, and the Dominican Republic.</li> </ul>
6. Project for Knowledge Fund - Phase III	OAS	\$100,000	2009-2013	<ul style="list-style-type: none"> <li>Provide the means for the Americas Directorate to support technical cooperation and to further develop a culture of knowledge building and sharing, continuous learning and long-lasting partnerships in areas such as elections, human rights, public health, infectious disease control, trade policies, and administrative management.</li> </ul>
7. Project for the Canada- Americas Trade-related Technical Assistance	Conference Board of Canada	\$18,000,000	2009-2015	<ul style="list-style-type: none"> <li>It is intended to support the partner countries of CIDA in LAC in maximizing their opportunities and benefits of increased trade and investment through their bilateral FTAs with Canada; and thereby to contribute to broader poverty reduction and development, mainly through enhanced trade and investment opportunities.</li> </ul>

Projects (23 projects underway)	Partner	Total CIDA Contribution (Canadian dollars)	Period	Objective
				<ul style="list-style-type: none"> <li>• Provide trade-related technical assistance, either bilaterally or through regional initiatives, to countries of the Americas that have negotiated or are currently negotiating free trade agreements with Canada.</li> </ul>
8. Project for the Strengthening of Institutional Governance for the promotion and protection of Children's Rights (directed at the national government authorities responsible of children and adolescents)	Inter-American Children's Institute	\$2,200,000	2009-2012	<ul style="list-style-type: none"> <li>• It aims to strengthen the capacity of governments to promote and protect children's rights in three countries of LAC. State institutions, communities, and civil society organizations work together to:               <ol style="list-style-type: none"> <li>1. Implement and/or revise national plans to promote and protect children and adolescent rights;</li> <li>2. Improve civil registry systems for children;</li> <li>3. Develop programmes and policies facilitating children's participation on issues that concern them;</li> <li>4. Implement communication strategies to raise awareness of the rights of children and adolescents.</li> </ol> </li> </ul>
9. Programme for the Latin American Public Opinion Barometer	Latinobarómetro Corporation	\$600,000	2009-2012	<ul style="list-style-type: none"> <li>• Promote the use of evidence-based evaluations to assess the results of innovative public policies, such as democratic participation and civil society, administrative management, health and education policies. This programme is a component of the 'Democracies that Deliver Initiative' together with the 'Facilitating Systematic Learning Programme' of the International Development Research Centre and FOCAL's 'Knowledge for Development Programme'. These three programmes share the best practices in public policy in the areas of: health, education, and employment/labour mobility between Canada, the Caribbean and the Latin</li> </ul>

Projects (23 projects underway)	Partner	Total CIDA Contribution (Canadian dollars)	Period	Objective
				American region.
10. International Programme for Professional Labour Administration	(Human Resources and Skills Development Canada/Service Canada)	\$1,326,700	2009-2012	<ul style="list-style-type: none"> <li>• It aims to build the capacity of, strengthen governance activities within, labour ministries and the business and labour organizations of the hemisphere.</li> <li>• Trade-related technical assistance activities include strengthening occupational safety and health inspection systems, strengthening labour codes, and improving mediation and conciliation services.</li> </ul>
11. "Knowledge for Development" Phase III	FOCAL (Canadian Foundation for the Americas)	\$3,000,000	2008-2011	<ul style="list-style-type: none"> <li>• It seeks to improve public policies options by sharing models and by broadening and deepening participation by both government and non-state actors (e.g., academia, civil society, and the private sector), from Canada and other countries in the Americas, in hemispheric policy dialogue on key development issues. This is achieved through the facilitation of policy discussions and through the dissemination of information. This programme is a component of the "Democracies that Deliver Initiative".</li> <li>• It shares best practices in public policy in the areas of: health, education, and employment/labour mobility between Canada, the Caribbean, and the Latin American region.</li> </ul>
12. Support Programme 2008-2011	OAS	\$20,000,000	2008-2011	<ul style="list-style-type: none"> <li>• It grants support to the Organization for American States (OAS) in five programme areas:               <ol style="list-style-type: none"> <li>1. Promotion of policy dialogue and summit/ministerial meeting follow-up - to reinforce the OAS as the principal multilateral forum in the Western Hemisphere and to consolidate the Summit of the Americas process;</li> <li>2. Strengthening sustainable democratic</li> </ol> </li> </ul>

Projects (23 projects underway)	Partner	Total CIDA Contribution (Canadian dollars)	Period	Objective
				<p>governance in the Americas - to provide programming directed at the public sector institutions and civil society organizations of OAS member states;</p> <p>3. Strengthening institutions for development - to provide programming directed at public sector institutions and civil society organizations of OAS member states;</p> <p>4. Gender equality and vulnerable groups, by providing programming to support gender mainstreaming efforts within OAS policies and programmes, as well as to support social inclusion and more equitable access for vulnerable groups, including Indigenous peoples and afro-descendants;</p> <p>5. OAS institutional strengthening and capacity building.</p>
13. Project for Strengthening the Capacities of the Inter-American Commission on Human Rights and the Inter-American Institute of Human Rights	OAS	\$3,200,000	2008-2012	<ul style="list-style-type: none"> <li>This project seeks to increase the effectiveness of the Inter-American Commission on Human Rights (IACHR) by providing support to reduce case delay and establish mechanisms for more efficient procedures. It is expected to establish a communications unit for disseminating the reports and decisions issued by the Commission, as well as providing training to public sector employees and civil society members in the region, through the Inter-American Institute of Human Rights.</li> </ul>
14. Governance with ARPEL	Environmental Services Association of Alberta (ESAA)	\$4,900,000	2007-2013	<ul style="list-style-type: none"> <li>Strengthening the capabilities of the Regional Association of Oil and Natural Gas Companies in Latin America and the Caribbean (ARPEL) member companies to deal with key governance issues in the oil and gas sector in Latin America including social issues such as corporate social</li> </ul>

Projects (23 projects underway)	Partner	Total CIDA Contribution (Canadian dollars)	Period	Objective
				responsibility, relations/conflicts with indigenous people/communities, gender, ethics, transparency and accountability, community development, and human rights. <ul style="list-style-type: none"> <li>It seeks to promote good governance practices in the oil and gas sector in the Latin American and Caribbean Region. Project activities are carried out through workshops, regional and national forums, development of policies/guidelines/best practices, and direct technical assistance. The outcomes include ARPEL member companies implementing corporate social responsibility and governance practices in their daily operations.</li> </ul>
15. Improvement of the Justice Systems in Latin America	Justice Studies Centre of the Americas (JSCA)	\$4,950,000	2007-2012	<ul style="list-style-type: none"> <li>Contribute to changing the practices of criminal justice systems in Latin America in order to achieve greater transparency and efficiency, as well as better conditions for the respect of human rights.</li> <li>Promote innovative solutions for solving concrete problems in implementing criminal justice reforms in selected countries of Latin America. Activities include training programmes (on-site and distance learning), internships, the publication of evaluation studies on judicial systems in Latin America, local educational/outreach activities on criminal justice topics and the development of online information for use by stakeholders in the region.</li> </ul>
16. Modernization of Budget and Financial Systems	OAS	\$1,200,000	2007-2011	<ul style="list-style-type: none"> <li>Develop a resource management framework to modernize the budget and financial systems of the Organization of American States (OAS) and enable the General Secretariat to become more</li> </ul>

Projects (23 projects underway)	Partner	Total CIDA Contribution (Canadian dollars)	Period	Objective
				<p>efficient and effective in delivering on its mandate, as well as more transparent and accountable to OAS member states. The project has four key components: (i) adjust and modernize current financial and budgetary policies in support of the OAS strategic organizational objectives; (ii) adjust and modernize current business processes; (iii) modernize and transform current financial systems and tools; and (iv) develop and implement change management plan to carry out the recommendations for transformation and modernization of the financial and accounting systems proposed in the first two components.</p>
17. Social Report Card	Inter-American Dialogue	\$499,520	2007-2011	<ul style="list-style-type: none"> <li>• Assess and bring public attention to the quality of government policies in advancing equity, social inclusion and poverty reduction in Latin America and the Caribbean.</li> <li>• Analyze the impact of government policies on the poorest and most vulnerable segments of society in eight Latin American countries in areas such as taxation, labour markets, fiscal policy, education, gender-based inequality, discrimination, and public services.</li> </ul>
18. Support to the PAHO Health Programme	PAHO	\$18,000,000	2007-2011	<ul style="list-style-type: none"> <li>• It aims to improve the health of poor men, women and children in the Americas by supporting the Pan American Health Organization's (PAHO) programme in the areas of human resources for health, HIV/AIDS and sexually transmitted infections (STIs), pandemic influenza, and institutional strengthening.</li> <li>• It increases the capacity of PAHO and of selected member states to support national</li> </ul>

Projects (23 projects underway)	Partner	Total CIDA Contribution (Canadian dollars)	Period	Objective
				<p>and regional plans for influenza pandemic preparedness and to combat HIV/AIDS and STIs and also increases PAHO's capacity to strengthen human resources development in the health sector.</p> <ul style="list-style-type: none"> <li>The project has been implemented in Bolivia, Colombia, Cuba, Ecuador, Peru Venezuela, and Chile.</li> </ul>
19. Institute for the Connectivity in the Americas – Phase II	IDRC-International Development Research Centre	\$10,000,000	2006-2012	<ul style="list-style-type: none"> <li>Allow for the continuation of the Institute for Connectivity in the Americas (ICA), the creation of which was announced as Canada's contribution to the 2001 Quebec Summit of the Americas. The ICA strives to connect the Americas by co-funding projects, by actively enabling partnerships, and by supporting knowledge creation as well as capacity building. More than 70 regional initiatives have been supported since the inception of the ICA and a first phase of programming has been successfully completed.</li> <li>This second phase seeks to continue to fill a critical role in the region by facilitating the coordination, collaboration and sharing of efforts across countries through a number of key initiatives in the areas of e-governance, e-enablers (health and education) and e-economy (employment and labour mobility).</li> </ul>
20. Support to College of the Americas- Phase II	Inter-American Organization for Higher Education	\$4,950,000	2006-2012	<ul style="list-style-type: none"> <li>Promote improved governance in the Americas, particularly with respect to democracy, human rights and anti-corruption, the participation of women in public policy development, and the rights of indigenous peoples</li> </ul>

Projects (23 projects underway)	Partner	Total CIDA Contribution (Canadian dollars)	Period	Objective
				<ul style="list-style-type: none"> <li>Support the College of the Americas (COLAM) in developing quality educational courses relating to these issues, which are delivered through academic networks involving universities throughout Latin America and the Caribbean. The courses are targeted to public sector officials, NGO personnel, justice officials, and others who work on governance issues in the region.</li> </ul>
21. Project for Financing Policies and Programmes	N/A	\$500,000	2006-2013	<ul style="list-style-type: none"> <li>Provide the organizations with the experience required to develop activities and obtain knowledge in the areas of health, governance, gender equality, civil society, and vulnerable populations. The specific areas and activities include: the relationship between the OAS and CIDA; provision and development of synergies and strategic associations, monitoring and assessment, gender equality, governance, development of the capacities of civil society, and strategic interventions in public health.</li> </ul>
22. Prevention and Control of Communicable Diseases	PAHO	\$9,263,851	2005-2011	<ul style="list-style-type: none"> <li>The project is being implemented by the Pan American Health Organization (PAHO) in collaboration with the Ministries of Health of Colombia, Ecuador, Paraguay, Peru, and Venezuela.</li> <li>It aims to contribute to the prevention and control of communicable diseases that cause the greatest burden of morbidity and mortality among children, youth, and adults in South America</li> <li>The project also strengthens the capacity of institutions responsible for planning, managing, and delivering sustainable programmes for the prevention and control of the most prevalent communicable diseases.</li> </ul>

Projects (23 projects underway)	Partner	Total CIDA Contribution (Canadian dollars)	Period	Objective
23. Canada Trade Fund	Inter-American Development Bank	\$6,250,000	2003-2011	<ul style="list-style-type: none"> <li>• The Canada Trade Fund makes it possible for the Inter-American Development Bank (IDB) to provide resources that enable the region's developing countries to participate beneficially and equitably in trade liberalization.</li> <li>• The activities funded are meant to strengthen the capacity of Latin American and Caribbean countries to participate in trade negotiations, to implement their trade commitments, and to benefit from hemispheric integration, including productive capacity and competitiveness in the region. The goal of the activities is to better enable these countries to integrate into the world economy.</li> </ul>

Source: Canadian International Development Agency.

## 44

### **Canada Fund for Local Initiatives (CFLI)**

The Canada Fund for Local Initiatives (CFLI) is a development assistance programme, focused on local projects offering technical, educational, cultural and/or social support.

The CFLI offers financial assistance to voluntary organizations, community groups, and local government organizations, carrying out small-scale projects, such as productive activities, acquisition of new skills and knowledge, as well as employment creation. The key element for a project to be approved is the participation of local communities in the projects of the Fund. The goal is to improve the social, economic, and cultural life of the populations of 103 developing countries, which have been previously selected.

The CFLI complements the bilateral and multilateral activities of CIDA by strengthening the flexibility of the Canadian development assistance programme in a country. The Fund allows Canada to support the poor and cover their needs in the fastest and most effective way. It also allows missions to offer a more direct response to local groups, such as rural populations, cultural minorities, children at risk, and urban, low-income populations.

All the projects approved by the Fund must be coherent with Canada's ODA policies. The programme follows the Guidelines of the Canada Fund, which are periodically updated.

The Fund establishes resources for every selected country, according to local need criteria. The amount assigned to the programme by each of CIDA's geographic programme branches towards reaching the objectives of the Canada Fund totalled \$39,656,020 in 2004-2005, and \$16,802,278 in 2005-2006.

Currently, the Canada Fund is financing operative projects in different countries of the region, such as Argentina, Barbados, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, the Dominican Republic, Uruguay, and Venezuela.

### **Canada's economic cooperation: Free Trade Agreements and Reciprocal Investment Promotion and Protection Agreements<sup>18</sup>**

Economic cooperation has been an essential part of Canada's Cooperation agenda with LAC. In fact, this can be one of the areas having the highest potential for the rapprochement between Canada and the region through cooperation.

Both the stability and growth of the middle class make Latin America and the Caribbean an ideal place for economic rapprochement. The markets in LAC offer a window of opportunity for the development of business with Canada. The current macroeconomic situation of the region makes it a desirable and attractive partner for boosting the private sector. In the current situation and in the future, LAC appears to be a good alternative for opening and consolidating new markets for Latin American and Canadian companies. Latin American markets offer a huge potential for investment, and open up business opportunities in a geographically close market. The perspectives on the economic growth of LAC are considerably encouraging, and, for the first time in more than 20 years, the share of LAC in the world's GDP shows a growing and solid trend. All these elements make

---

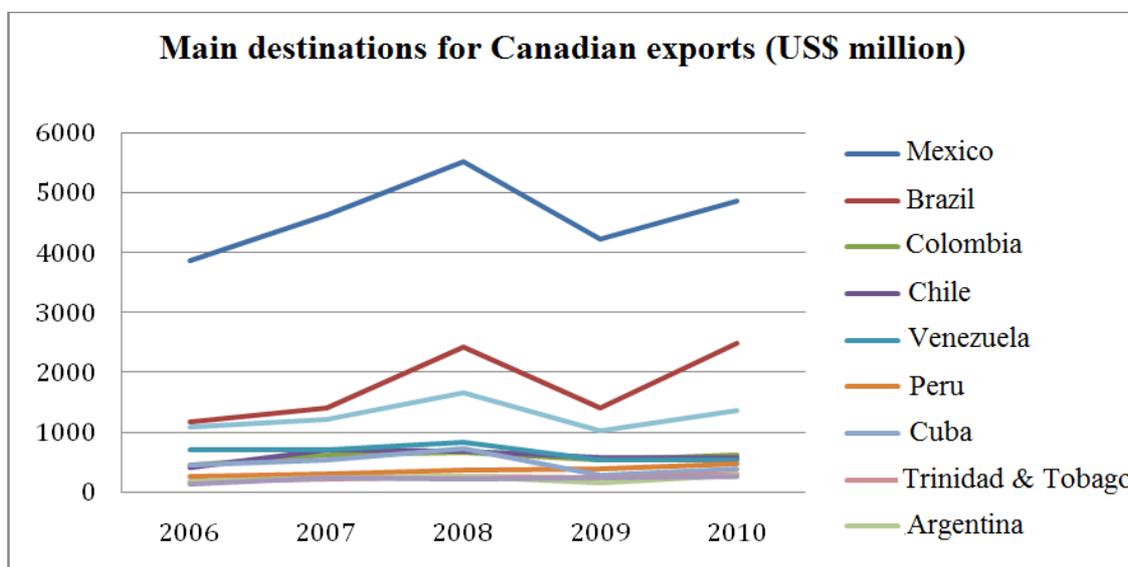
<sup>18</sup> The data on trade appeared in this section are reported in U.S. dollars. The information was obtained from Trade Map. International Trade Centre UNCTAD/WTO.

the region a business partner with a greater purchasing power, resistance to external shocks, and more solid and less uncertain growth expectations.

For Canada, the region is a business partner whose share in their exports has been growing. In the specific case of Mexico, the country has already become a key trading partner. In fact, the growing trade of Canada with LAC represents a small portion of its total trade. In 2010, the total trade of Canada with LAC reached US\$ 49,103 million. The exports from Canada to LAC totalled US\$ 12,139 million in 2010, which accounted for 3.14% of total Canadian exports for that year. As for imports, LAC is now more relevant, accounting for 9.44% in 2010, with US\$ 36,964 million.

As it is shown in the next chart, among the main target countries for the Canadian exports in LAC are: Mexico, Brazil, Colombia, Chile, Venezuela, Peru, Cuba, and Trinidad and Tobago.

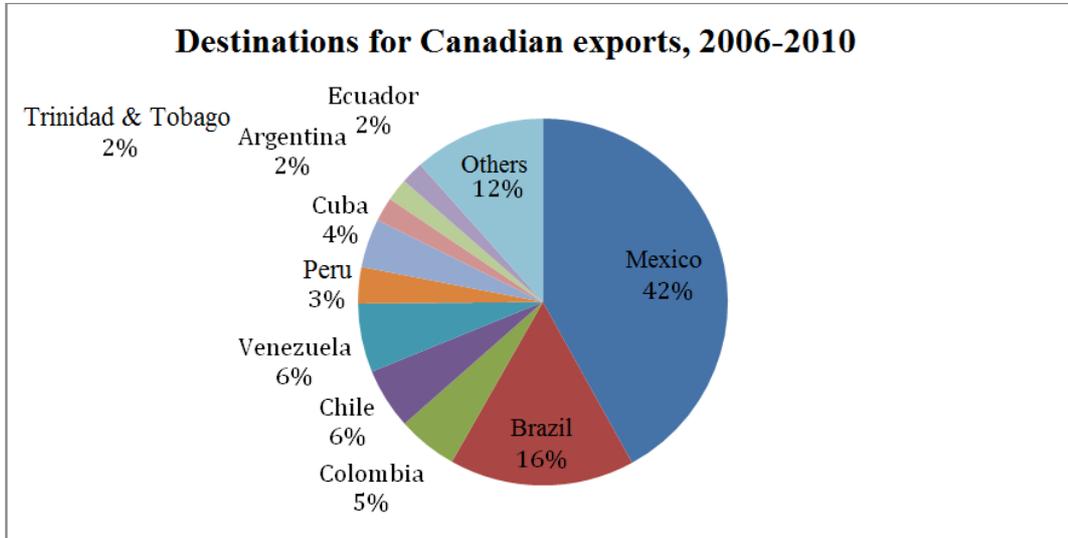
CHART 11



Source: International Trade Centre. Trade Map.

The following chart shows the weight of Mexico in the Canadian exports to the region with 42% of the total during the 2006-2010 period, followed by Brazil with 16%, Chile and Venezuela with 6% respectively, Cuba with 4%, Peru with 3%, and Argentina, Ecuador, and Trinidad and Tobago with 2%.

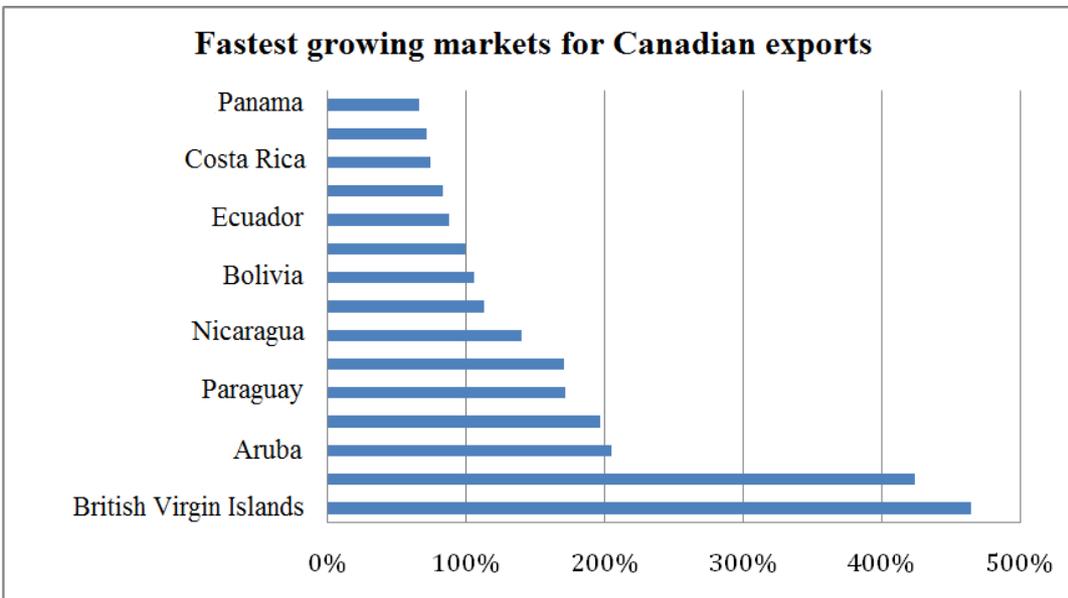
CHART 12



Source: International Trade Centre. Trade Map.

As for the markets with the biggest growth for Canadian exports in LAC, the main countries are: the Virgin Islands (465%), Uruguay (424%), Aruba (205%), the Bahamas (197%), Paraguay (1%), Nicaragua (%), Brazil (113%), and Bolivia (99%).

CHART 13



Source: International Trade Centre. Trade Map.

**TABLE 4**  
**LAC countries as importers to Canada and markets for Canadian exports in 2010**

<i>Country</i>	<i>Country as market for Canadian exports, at LAC level</i>	<i>Country as market for Canadian exports, at global level</i>	<i>Country as importer to Canada, at LAC level</i>	<i>Country as importer to Canada, at global level</i>
<i>Mexico</i>	1°	5°	1°	3°
<i>Brazil</i>	2°	9°	3°	14°
<i>Colombia</i>	3°	29°	7°	45°
<i>Chile</i>	4°	32°	4°	25°
<i>Venezuela</i>	5°	33°	6°	44°
<i>Peru</i>	6°	35°	2°	12°
<i>Cuba</i>	7°	40°	8°	49°
<i>Trinidad and Tobago</i>	8°	47°	10°	52°
<i>Argentina</i>	9°	49°	5°	32°
<i>Ecuador</i>	10°	50°	15°	70°
<i>Dominican Republic</i>	11°	56°	18°	75°
<i>Jamaica</i>	13°	66°	16°	72°
<i>Panama</i>	14°	67°	21°	86°
<i>Uruguay</i>	15°	72°	23°	93°
<i>Costa Rica</i>	16°	75°	11°	54°
<i>Guatemala</i>	17°	83°	12°	60°
<i>Bolivia</i>	18°	93°	19°	76°
<i>Haiti</i>	19°	95°	24°	--
<i>Honduras</i>	21°	100°	17°	74°
<i>Nicaragua</i>	23°	103°	14°	69°
<i>El Salvador</i>	24°	105°	20°	85°
<i>Guyana</i>	25°	110°	13°	64°
<i>Paraguay</i>	29°	128°	26°	121°
<i>Suriname</i>	30°	128°	9°	50°

Source: International Trade Centre. Trade Map.

Concerning the countries of CARICOM, in 2010, the bilateral trade of goods between Canada and the CARICOM countries reached almost US\$ 2.4 billion. Canada's exports of goods towards the region totalled US\$ 755 billion, including minerals, iron, cereals, machinery, meat, paper and cardboard, fish, equipment, electrical materials and equipment, wood, pharmaceuticals, vegetables, plastic, furniture and articles of iron and steel, among others. Canada's imports of goods from CARICOM totalled US\$ 1.570 billion and included jewellery and precious metals, mineral fuels and oils, organic and inorganic chemical products, iron and steel smelting, alcoholic beverages, garments, fish, machinery and electronic appliances, fruits and vegetables, minerals, food preparations, among others. The trade between the Caribbean countries and Canada is very concentrated, especially concerning exports, in products such as gold, oil, and aluminium, which account for 75% of the total sales of the country.

In 2009, the last year having available data, the exports of Canadian services to the CARICOM countries were of nearly US\$ 1.4 billion, mainly in trade. As for service imports, Canada's imports from CARICOM reached around US\$ 1.8 billion, mainly in trade and tourism.

## 48

In 2010, Canada ranked third among the target countries for CARICOM exports. That same year, the CARICOM countries exported US\$ 1.5 billion towards the Canadian market. Since 2002, Canadian exports expanded at an average of 12.7% (cumulative rate), whereas imports grew at 10.5% cumulative rate.

As shown in the following table, Trinidad and Tobago is the most important partner of Canada in the block, and its main importer, accounting for 38.3% of the total purchases the sub-region made from Canada, ranking second; and it accounts for 28.4% of the Caribbean exports towards Canada. Suriname is the main exporter with 37%.

**TABLE 5**  
**Canada: Exports to CARICOM, 2006-2010**  
**(US\$ thousands)**

Export destinations	2006	2007	2008	2009	2010	% in 2010
World	388178676	419881604	455632184	315275816	385816054	100%
Caribbean Community (CARICOM) Aggregate	593044	676835	854591	661379	755256	0.195755462
Trinidad and Tobago	176673	210660	258269	235758	289877	0.075133473
Bahamas	50892	89227	217402	132374	150990	0.03913523
Jamaica	137886	185681	183626	108726	126339	0.032745916
Haiti	27283	29551	48562	36228	46692	0.01210214
Barbados	58374	56707	46741	52161	39039	0.010118553
Guyana	21470	25362	20419	25241	28705	0.007440074
Antigua and Barbuda	62225	17840	21218	18581	19509	0.005056555
Suriname	9008	9475	10477	10867	11870	0.003076596
St. Vincent & the Grenadines	9396	9648	7845	10652	10988	0.002847989
St. Lucia	11964	15629	13009	9558	8183	0.002120959
Belize	8924	6627	6919	5565	6482	0.001680075
St. Kitts & Nevis	6710	8855	7749	5890	6356	0.001647417
Grenada	6525	6750	6235	5298	5317	0.001378118
Dominica	5393	4588	5744	4219	4686	0.001214568
Montserrat	321	235	376	261	223	

Source: International Trade Centre. Trade Map.

**TABLE 6**  
**Canada: Imports from CARICOM, 2006-2010**  
**(US\$ thousands)**

Countries of origin	2006	2007	2008	2009	2010	% in 2010
Total imports to Canada	350257150	380646622	408762168	321047625	391256631	100%
Caribbean Community (CARICOM) Aggregate	1020718	1373703	1531254	1226222	1570445	0.401384891
Suriname	190761	385406	571851	470782	581055	0.148509943
Trinidad and Tobago	271060	386443	321575	276928	446129	0.114024649
Guyana	125357	150975	212014	264058	282463	0.072193792
Jamaica	365089	346658	308558	144820	156853	0.040089544
Bahamas	20531	59165	69249	27253	53554	0.013687691
Haiti	17424	20648	18161	19101	25331	0.006474267
Barbados	12000	7587	8003	7606	9408	0.00240456
St. Kitts & Nevis	7759	3991	4932	6184	7851	0.002006611
Belize	8431	10243	10213	6042	5994	0.001531987
Grenada	845	655	826	447	585	0.000149518
Antigua & Barbuda	354	528	5150	392	408	0.000104279
Montserrat	478	208	131	61	318	
St. Lucia	144	293	146	2013	198	
St Vincent and the Grenadines	262	531	128	192	157	
Dominica	223	372	317	343	141	

Source: International Trade Centre. Trade Map.

### Trade Negotiations Agenda

Canada's agenda has been developed towards economic rapprochement with LAC, through the negotiation of FTAs. Such treaties are currently in force in five countries of region: Mexico (NAFTA), Chile, Colombia, Costa Rica, and Peru. Negotiations with Panama have already been concluded, although the FTA with that country is not in force yet.

**TABLE 7**  
**Free Trade Agreements between Canada and LAC countries**

<i>Partner</i>	<i>Signing date</i>	<i>Entry into force</i>
<i>Chile</i>	<i>05 December 1996</i>	<i>05 July 1997</i>
<i>Colombia</i>	<i>21 November 2008</i>	<i>15 August 2011</i>
<i>Costa Rica</i>	<i>23 April 2001</i>	<i>01 November 2002</i>
<i>Mexico</i>	<i>17 December 1992</i>	<i>01 January 1994</i>
<i>Panama</i>	<i>14 May 2010</i>	<i>Not yet in force</i>
<i>Peru</i>	<i>29 May 2008</i>	<i>01 August 2009</i>

Source: OAS. Foreign Trade Information System, SICE.

[http://www.sice.oas.org/ctyindex/CAN/CANAgreements\\_e.asp](http://www.sice.oas.org/ctyindex/CAN/CANAgreements_e.asp) (Consulted on 15 November 2011).

## 50

On 28 September 2000, Canada began negotiations for a Free Trade Agreement with Guatemala, Honduras, El Salvador, and Nicaragua within the framework of the Canada-Central America Summit, held in Guatemala. Canada agreed to a request by the leaders of the Central American Four Countries (the CA4: Honduras, Guatemala, El Salvador, and Nicaragua) to pursue negotiations in order to reach free trade agreements. Such negotiations were formally launched on 21 November 2001, along with negotiations on parallel agreements on labour and environmental cooperation.

After 10 negotiation rounds, the talks hit an impasse in 2004, primarily over market access issues. Canada and the CA4 countries, however, continued to work to address the outstanding issues and lay the groundwork towards an eventual resumption of negotiations. To this end, Canadian and CA4 officials met three times in 2006, were in contact throughout 2007, and met again on three separate occasions in 2008. These discussions were useful and allowed officials to have a full exchange of views. Following the meetings in 2008, the Parties met in Ottawa from 23 to 27 February 2009, and in March 2010.

Following the March 2010 round, Canada concluded that, among the CA4 countries, Honduras offered the best opportunity to conclude a free trade agreement in the short-term. Thus, in October 2010, Canada and Honduras decided to concentrate on bilateral negotiations. On 12 August 2011, the negotiations among them were concluded. Guatemala expects to obtain labour benefits similar to those obtained by Honduras, which benefits of an annual quota of 25,000 temporary workers. Canada wants to include the respect of labour and environmental laws in Guatemala. Canada also expects to reach zero tariffs for its pork producers and industrial livestock producers to access the Central American country.<sup>19</sup>

In addition, on 11 August 2011, Prime Minister Stephen Harper and the President of Costa Rica, Laura Chinchilla, announced the beginning of negotiations to modernize the existing FTA between Canada and Costa Rica, which is a first-generation agreement mainly focused on the trading of goods, and it does not include substantial provisions in areas such as cross-border trade in services, investments or government procurement. At the same time, the parallel labour and environmental agreements will also be modernized.<sup>20</sup>

As for the Andean region, in August 2002, the Ministry of International Trade announced that Canada and the Andean countries (Bolivia, Colombia, Ecuador, and Peru) agreed to begin the exploratory discussions towards a Free Trade Agreement (FTA). Given that not all Andean Community countries were in a position to move forward on FTA negotiations at the same time, Canada worked towards FTAs with Colombia and Peru, such negotiations are already concluded and the corresponding agreements are in force. Canada remains interested in strengthening trade and investment ties with all the members of the Andean Community. Canada and Ecuador have agreed to continue discussions, and explore the possibility of a broader initiative in the future. Canada

---

<sup>19</sup> Foreign Affairs and International Trade Canada. <http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/ca4.aspx?lang=eng&view=d> (Consulted on 12 December 2011).

<sup>20</sup> Foreign Affairs and International Trade Canada. <http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/costarica/CCRFTA-moderne-ALECCR.aspx?view=d> (Consulted on 12 December 2011).

continues to expand commercial relations with Bolivia and remains open to the possibility of further discussions on the possibility of an FTA with Bolivia at a later date.<sup>21</sup>

Concerning the free trade negotiations with the Caribbean Community (CARICOM), the proposal for a Canada-CARICOM Free Trade Agreement was first announced during the Canada-CARICOM Summit held in Jamaica. After four rounds of exploratory conversations, on 19 July 2007, Canada and the Caribbean Community (CARICOM) began negotiations towards a Free Trade Agreement. This initiative, which fosters free trade as a path to prosperity, is part of Canada's proposals for strengthening the historic relationships with the members of CARICOM. Up to the present, three rounds of negotiations have been completed (November 2009, March 2010, and April 2011). This negotiation will take into account the differing levels of development, asymmetries and vulnerabilities associated with island states and the need for developing trade-related capacities. Negotiations will cover a wide range of issues, including trade in goods, rules of origin, customs procedures, trade facilitation, non-tariff barriers, cross-border trade in services, temporary entry, investment, government procurement, and dispute settlement and institutional provisions. The social dimensions of economic integration are also included, through the negotiation of provisions on labour and environment.

The Canada-CARICOM free trade agreement would also provide a more secure and predictable business environment for entrepreneurs and investors from both sides, and it would enhance market access for Canadian service providers (e.g. professional services, research and development).

Finally, the negotiations towards a FTA between the Dominican Republic began on 7 June 2007. The talks are still in progress.<sup>22</sup>

### **Canada's Foreign Direct Investment in Latin America and the Caribbean**

Canada is a key player among investors worldwide. In fact it is among the top 20 countries receiving a greater flow of foreign investment and among the 10 countries with larger investments overseas. Canada received US\$ 21 billion in foreign direct investment (FDI) in 2009 and US\$ 23 billion in 2010. As regards Canadian FDI abroad it reached US\$ 42 billion in 2009, declining to US\$ 39 billion in 2010.

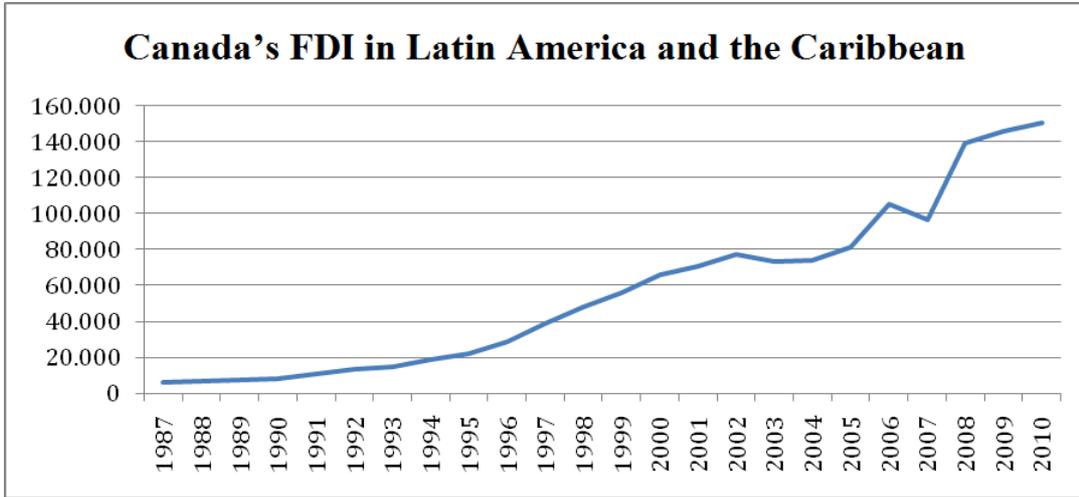
As for Canadian investment in LAC, it totalled US\$ 150 billion in accumulated stock of Canadian FDI worldwide in 2010, representing 24.4% of the nation's FDI. LAC has gained greater relevance as a destination for Canadian investment since the 1990s – when the economies of the region opened up to foreign capital – and has risen in recent years after accounting for a low 8% by the end of 1987.

---

<sup>21</sup> Foreign Affairs and International Trade Canada. <http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/andean-andin/index.aspx?lang=eng&view=d> (Consulted on 12 December 2011).

<sup>22</sup> Foreign Affairs and International Trade Canada. [http://www.international.gc.ca/media\\_commerce/comm/news-communiqués/2007/385203.aspx?lang=eng&view=d](http://www.international.gc.ca/media_commerce/comm/news-communiqués/2007/385203.aspx?lang=eng&view=d).

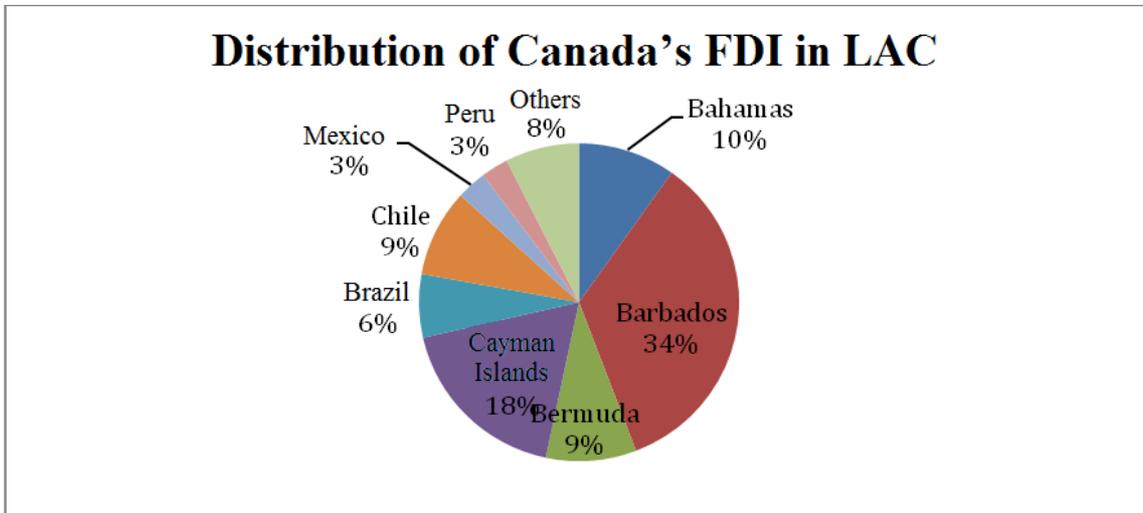
CHART 14



Source: Foreign Affairs and International Trade, Canada.

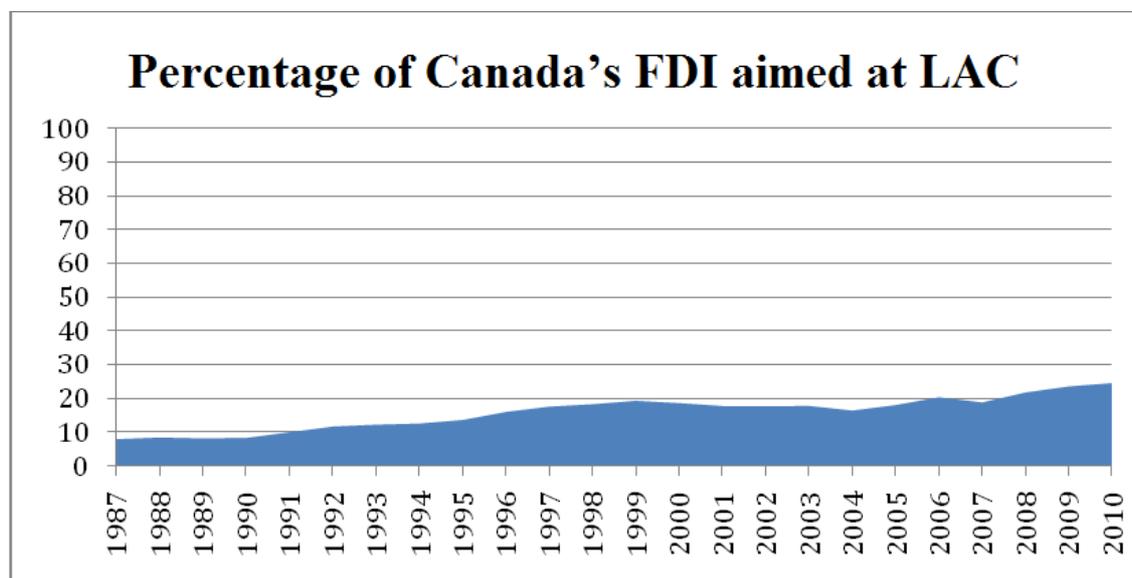
Canada has allocated productive investment to the region. The main destinations for Canadian investment in LAC are Barbados, the Cayman Islands, the Bahamas and Bermuda, followed by Chile, Brazil, Mexico and Peru.

CHART 15



Source: Foreign Affairs and International Trade, Canada.

CHART 16



Source: Foreign Affairs and International Trade, Canada.

Furthermore, over 20% of total Canadian FDI went to Latin American and Caribbean countries in 2010.

One way of promoting Canadian investment in the region has been through a series of 10 Reciprocal Investment Promotion and Protection Agreements (APPRI) and the investment chapters contained in the bilateral FTAs that Canada has with 6 countries in the region (see Table 8 below).

**TABLE 8**  
**Reciprocal Investment Promotion and Protection Agreements between Canada and selected LAC countries**

<i>Country</i>	<i>Date of signing</i>	<i>Entry into force</i>
<i>Argentina</i>	<i>05 November 1991</i>	<i>19 April 1993</i>
<i>Barbados</i>	<i>29 May 1996</i>	<i>17 January 1997</i>
<i>Costa Rica</i>	<i>18 March 1998</i>	<i>29 September 1999</i>
<i>Ecuador</i>	<i>29 April 1996</i>	<i>06 June 1997</i>
<i>El Salvador</i>	<i>06 June 1999</i>	<i>n/a</i>
<i>Panama</i>	<i>12 September 1996</i>	<i>13 February 1998</i>
<i>Peru</i>	<i>14 November 2006</i>	<i>29 June 2007</i>
<i>Trinidad and Tobago</i>	<i>11 September 1995</i>	<i>08 July 1996</i>
<i>Uruguay</i>	<i>29 October 1997</i>	<i>02 June 1999</i>
<i>Venezuela</i>	<i>01 July 1996</i>	<i>28 January 1998</i>

Source: OAS, Foreign Trade Information System.

[http://www.sice.oas.org/ctyindex/CAN/CANBITs\\_e.asp](http://www.sice.oas.org/ctyindex/CAN/CANBITs_e.asp)

## 54

Undoubtedly, Canada's economic cooperation with LAC has allowed for the construction of an institutional framework to promote the commercial exchange of goods and services, as well as investment. The challenge is to promote greater participation of governmental and non-governmental stakeholders in trade and investment flows in order to take advantage of the opportunities created by the existing FTAs and APPRIs.

While LAC clearly presents opportunities for further economic cooperation, it is also true that it should still address institutional issues to promote a better environment for business, training, technological development and production. And Canada could play a key role not only via the negotiation of FTAs and APPRIs but also through a trade facilitation agenda.

### **International Humanitarian Assistance**

Through its International Humanitarian Assistance programme, CIDA is aimed at saving lives, alleviating suffering and maintaining the dignity of those people affected by conflicts and natural disasters by providing them with resources in an effective, appropriate and timely manner.

More than 90% of those people affected by natural disasters (earthquakes, floods, hurricanes, landslides and volcano eruptions) live in developing countries. Poverty, environmental degradation and areas with high population density are factors that make these countries more vulnerable to disasters and less able to overcome them with their own resources. Additionally, civil wars and conflicts – characterized by widespread violence, a breakdown of law and authorities and massive population movements – also affect poorer countries in disproportionate way.

When the needs of affected communities exceed the capacity of their government to effectively respond to the actual emergency, Canada and other countries around the world provide assistance through an existing international humanitarian response system. This system includes donor countries like Canada, several United Nations agencies such as the Office for the Coordination of Humanitarian Affairs (OCHA), the UN High Commissioner for Refugees (UNHCR), UNICEF, the World Food Programme, the International Red Cross and experienced non-governmental humanitarian organizations, such as the Canadian Foodgrains Bank.

Canada is committed to providing appropriate, effective and timely humanitarian assistance, in line with the Principles and Good Practice of Humanitarian Donorship. Canada has played a leadership role in the promotion of the Good Humanitarian Donorship initiative, which aims to improve the response of donors during humanitarian crises, and has taken a number of actions to improve the timeliness, flexibility and equity of its humanitarian funding. This includes strong support for the establishment of innovative financing mechanisms intended to enable key partners to respond to crises in a timely and coordinated manner, and increasing to 100 percent the amount of food aid that developing countries can purchase. This has allowed Canada to respond to food crises in a quick and efficient manner.

CIDA is a leading player in the area of humanitarian assistance. Its primary responsibility is to provide financial support to organizations participating in the international humanitarian system. Based on the assessment of needs following a crisis, these organizations ensure that the populations affected by natural disasters or conflicts can settle in safe areas and have access to health, food, water and shelter services. Four general principles guide CIDA's actions:

1. **Humanity:** Actions should be aimed at saving lives and alleviating suffering.
2. **Impartiality:** Actions must be implemented solely based on need, without discriminating between populations or within an affected population.
3. **Neutrality:** Actions should not favour any particular side in an armed conflict or other dispute.
4. **Independence:** All objectives must be autonomous from political, economic or military objectives.

Over the past several years, Canada has made considerable efforts to strengthen its capacity for humanitarian response, while working with other donor governments and key humanitarian partners to strengthen and expand the international humanitarian system.

CIDA has also made considerable efforts in strengthening the international humanitarian system through its work with other donors and the United Nations in order to:

- a) shape the development of the Central Emergency Response Fund (CERF), as promoted by the United Nations Organization. This fund provides a predictable source of money for rapid response, and addresses the needs of emergencies;
- b) support key research activities such as Development Initiatives' Global Humanitarian Assistance Programme, which publishes an annual report on humanitarian financing;
- c) support the development and dissemination of standards in the most important areas of humanitarian response through the Sphere Project; and
- d) provide support for initiatives related to accountability and performance in humanitarian action.

In the area of humanitarian assistance in LAC, the Agency has worked intensively in different countries: in Haiti since the earthquake of January 2010, in the areas of health services and nutrition, coordination and supervision of camps, fight against cholera, humanitarian coordination; in Colombia during the floods of 2010, in a programme to prevent malnutrition and also to support vulnerable populations affected by the civil war in that country; in Guatemala, in the aftermath of tropical storm Agatha in 2010, to support World Vision and the World Food Programme; in Chile, in the aftermath of the earthquake of February 2010, supporting OXFAM and World Vision; and at the regional level by supporting the Red Cross and UNHCR.

## 5. RECOMMENDATIONS TO DEEPEN COOPERATION

Canada has implemented a substantial international cooperation agenda for development in Latin America and the Caribbean since the 1970s. Canadian cooperation policy towards the region has given priority to issues related to humanitarian assistance, economic prosperity through training and creation of economic opportunities, health, education for children and young people, and democracy, all of which are directly linked to the MDGs.

Many countries in Latin America and the Caribbean have their own national agencies or ministries responsible for IDC, which makes it possible for Canada to outline agendas for triangular cooperation with partners in LAC. Just as Canada works with all-American regional bodies, such as the OAS and PAHO, it may also seek to work with countries individually in order to develop programmes for third-party countries with the ultimate goal of strengthening local capacities, thereby promoting reduction of poverty and inequality.

## 56

This document suggests a number of opportunities for SELA Member Countries to establish a thematic agenda with Canada consistent with the development needs of the region. It would involve raising cooperation dialogue between Canada and LAC in order to establish a more specific agenda so as to enable the region to add priorities, as well as its own efforts in the development of cooperation programmes.

There are areas which offer opportunities that could be considered and incorporated by all countries in the region in order to create the conditions to strengthen Canada's cooperation relationships with SELA Member States. Following are some recommendations:

1. **Inventory of experiences of Canadian IDC in LAC.** To develop an inventory of Canada's cooperation experiences with LAC (this document could be a starting point), identifying the projects undertaken to date with information about their results, verifiable indicators and impact on the development of the sector. The conduction of seminars for exchanging experiences on Canadian cooperation in the region is highly recommended.
2. **Canada's IDC Roadmap.** Based on the aforementioned inventory, to develop the IDC roadmap offered by Canada to the region, ensuring that public policy decision makers have greater clarity on those areas where the Canadian IDC can complement national efforts and international cooperation from other donors. For this purpose, a suggestion is made to conduct workshops and seminars aimed at raising awareness of the priority areas for outlining programmes on international development cooperation with Canada.
3. **Seminar on LAC agencies cooperating with CIDA.** A good way to move towards a greater understanding of the demands of cooperation of LAC and the possibilities of Canadian cooperation is to arrange a meeting between CIDA and the representatives of agencies or ministries responsible for the IDC in LAC in order to have an exchange of information and proposals from countries in the region. This should result in the development of a thematic agenda, as well as proposals for action and collaboration, enabling the region to come closer to Canada and vice versa.
4. **To define priority thematic areas in LAC to be developed jointly with Canada.** Just as Canada has defined its own areas of interest and the countries where it focuses the development of its policy of cooperation towards LAC, so also the region would have to identify potential areas to further maximize the cooperation it already receives from Canada. In this regard, the recommendation would be to develop regional or subregional cooperation proposals with Canada in specific areas. For example, one way of achieving this would be defining a number of areas of particular interest for LAC, such as: increasing academic exchanges at university level, encouraging scientific research related to production, promoting economic, trade and investment opportunities, as well as topics related to energy, climate change and sustainable development, just to mention some issues that are key to the development of Latin America and the Caribbean. Such definition of thematic areas and projects would add comparative advantages for both donors and recipients, would allow for identifying the actual demand in the various countries of the region. It could also be achieved through greater coordination with multilateral agencies (e.g.: UNDP, UNEP, UNICEF, WFP, etc.)

so as to implement their projects in as many countries of the region as possible when required.

5. **Innovative sources of financing.** Due to the shortage of resources to promote projects and programmes for development, it is necessary to devise new forms of financing and call upon civil society actors to participate. In Canada, civil society has played an important role in the development of cooperation programmes, and so it is equally important for LAC to have information on the types of civil society actors in Canada that could deploy more human and financial resources to develop cooperation programmes in LAC.
6. **Decentralized cooperation.** It would be advisable to explore the best ways to promote the participation of local and regional governments receiving Canadian cooperation, mainly through the Canada Fund. Boosting this fund could be a valuable tool for the empowerment of local communities, as it has enabled the creation of basic capabilities that have impacted the development and economic well-being of vulnerable populations. Greater involvement of authorities and private or civil society organizations could lead to the development of local capacities for increased efficiency and effectiveness of cooperation project management.
7. **Further promotion of economic opportunities.** The potential for economic cooperation between Canada and LAC is yet to be developed. It is a priority to adopt a stronger agenda for Canada's economic rapprochement with the region. Organizing business missions, as well as exchanging information, are activities that could contribute to trigger greater cooperation in this area. A more in-depth subregional or bilateral agenda for trade facilitation could help to boost opportunities for further economic cooperation by promoting a better business environment.
8. **Promotion of cooperation with the Caribbean.** While this is a region identified as a priority destination for Canadian ODA and IDC, this approach could be expanded to promote a broader regional development plan, also considering the local needs of each of its members, especially the most vulnerable ones.

The increasing proportion of ODA allocated to LAC during the period 2000-2010 reveals the interest of Canada in offering greater cooperation in this region. Similarly, the withdrawal of troops from Afghanistan could involve a redirection of resources, with aid being channelled to other regions. Canada is expected to define new guidelines for its cooperation in 2012, and LAC should be very aware of the changes that may arise.

In short, there is a wide variety of options for the relationship between Canada and LAC in the area of international cooperation to be boosted by the existing programmes, both at the country level and also in the region as a whole.

The Permanent Secretariat of SELA is ideally positioned to contribute to this task, helping to create the space for discussion and analysis to ensure that those responsible for cooperation in the region can define the best ways to develop a common agenda for the advancement of IDC between Canada and LAC.

## CONCLUSIONS

Although ODA and cooperation provided to Latin America and the Caribbean by Canada has been on the rise, it only accounts for 15% of the total ODA that Canada gives to the world. Canadian cooperation in the region has clearly underpinned the achievement of the MDGs and allowed recipient countries to develop their own capacities, appropriate projects and impact positively on the most vulnerable communities.

This document recognizes that Canada's cooperation agenda has been clearly defined by the priorities of the foreign policy of the country, as well as its international cooperation agenda. While Latin America and the Caribbean has been identified as a priority, it seems that there is still a great potential for increasing the dialogue from LAC towards Canada, both to further develop existing areas of cooperation and to explore new ones. This approach could have very positive implications for the development of IDC agenda of the region in relation to Canada.

An area to explore is the way that triangular cooperation with partner countries in LAC could supplement Canadian cooperation, both in countries identified as a priority and in others that have not been included in such category. The establishment of cooperation partnerships with Latin American partners may be ideal to explore ways to further promote the development of capacities and the attention given to vulnerable populations, especially women, youth and children.

Based on the analysis presented in this report, it can be concluded that the ODA and the IDC that Canada has provided to LAC have made significant headway. It is clear that Canada has identified priority sectors, but it is also true that development needs are still present in LAC. The cooperation agenda of Canada with LAC can be enriched to further promote economic prosperity, health and education, as well as democratic governance. LAC countries can develop a richer agenda through new forms of joint collaboration. This could be an important step as part of the efforts to meet the eight Millennium Development Goals by 2015.

## ANNEX

### Civil society actors involved in Canada's ODA activities

In the period 2009-2010, CIDA undertook various cooperation programs with the following partners:

#### 1. NGOs and Canadian institutions

Action against Hunger	Institute of Public Administration of Canada
Aga Khan Foundation Canada	Inter Pares
Association of Canadian Community Colleges	McGill University
Association of Universities and Colleges of Canada	Médecins du Monde Canada
Canada World Youth	Mennonite Central Committee Canada
CANADEM	Mennonite Economic Development Associates
Canadian Bureau for International Education	Micronutrient Initiative
Canadian Co-operative Association	Ontario Centre for Environmental Technology Advancement
Canada Crossroads International	La vista universal Operation
Canadian Executive Service Organization	Oxfam Canada
Canadian Foodgrains Bank	Oxfam-Québec
Canadian Labour Congress	Parliamentary Centre of Canada
Canada Lutheran World Relief	Paz Dividend Trust
Canadian Public Health Association	Pearson Peacekeeping Centre
Canadian Red Cross	Canada Plan
Canadian Society for International Health	Primate's World Relief and Development Fund
Canadian Teachers' Federation	Right to Play
Canadian Urban Institute	Rights and Democracy - International
CARE Canada	Centre for Human Rights and Democratic Development
CCAF-FCVI	Save the Children Canada
Centre for International Cooperation in Health and Development	Simon Fraser University
Centre for International Studies and Cooperation	Saskatchewan Institute of Applied Science and Technology
CHF	Society for International Development Cooperation (SOCODEVI)
Christian Reformed World Relief Committee	SUCO
Coady International Institute	North-South Institute
CODIGO	Toronto Leadership Council
CUSO-VSO	Canada Trade Facilitation Office
Development and Peace	UPA Développement International
Développement International	Université de Montréal
Desjardins	University of Saskatchewan
Médecins Sans Frontières	University of Victoria
Equitas – International Centre for Human Rights Education	USC Canada
Federation of Canadian Municipalities	World Relief Canada
Jules and Paul-Émile Léger Foundation	World University Service of Canada
Foundation FOR International Training	World Vision Canada
	YMCA Canada

**2. Non-governmental international organizations and initiatives**

African Medical and Research Foundation  
BRAC  
Helen Keller International  
International Center for Tropical Agriculture  
International Committee of the Red Cross  
International Red Cross and Red Crescent Movement  
International Food Policy Research Institute  
International Planned Parenthood Federation  
International Union for Conservation of Nature  
Malaria Consortium  
Mercy Corps  
Population Services International  
Program for Appropriate Technology in Health  
AIDS Foundation of South Africa

**3. Multilateral organizations**

Inter-American Development Bank (IDB)  
African Development Bank (AfDB)  
Asian Development Bank (ADB)  
Caribbean Development Bank (CDB)  
Consultative Group on International Agricultural Research  
Global Fund to Fight AIDS, Tuberculosis and Malaria  
Global Environment  
International Fund for Agricultural Development  
United Nations Children's Fund (UNICEF)  
United Nations Development Fund  
United Nations High Commissioner for Refugees  
United Nations Office for the Coordination of Humanitarian Affairs  
United Nations Relief and Works Agency for Palestine Refugees in the Near East  
World Bank  
World Food Programme  
World Health Organization

## BIBLIOGRAPHY

Canadian International Development Agency. CIDA-ACDI. <http://www.acdi-cida.gc.ca/>.

International Development Research Centre. IDRC. <http://www.idrc.ca>.

Canada. 2009. Canada and the Americas. Priorities and Progress. 22 pp.

ECLAC. 2011. Social Panorama of Latin America 2011. Informative Document. 49 pp.

Spain. General Courts, Report on Sessions of the Congress of Deputies. Committees. IX Legislature. Year 2010. Number 633. Session number 29. Thursday 7 October 2010, 19 pp.

Gordon, Vanesa. 2010. "The Reality of Canadian Official Development Assistance. AID FALLS ON THE RIDEAU." 1 April 2010.  
<http://www.alterinter.org/article3461.html?lang=fr>

Jennifer Paul and Marcus Pistor. 2009. Official Development Assistance Spending. Parliamentary Information and Research Service. Library of Parliament. 13 May.

OECD. 2007. Development Co-operation Directorate. Development Assistance Committee. CANADA. Development Assistance Committee. Peer Review. 107 pp.  
([http://www.oecd.org/document/60/0,3746,en\\_2649\\_34603\\_39509628\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/60/0,3746,en_2649_34603_39509628_1_1_1_1,00.html))

UNCTAD. 2011. Department of Economic and Social Affairs. World Economic Situation and Prospects 2011. 31 January ([www.un-ngls.org/spip.php?article3217](http://www.un-ngls.org/spip.php?article3217)). (Consulted on 30 October 2011).