

**AID EFFECTIVENESS:
A response from the
Canadian Executive Service Organization (CESO)**

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President and CEO**

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Toronto, Ontario**

Madame Minister, on behalf of the Canadian Executive Service Organization, we appreciate this opportunity to respond to the Canadian International Development Agency (CIDA) policy document *Strengthening Aid Effectiveness*.

As you know, CESO has been in existence since 1967 and has helped thousands of organizations in over 40 countries. Our goal is to develop the management capacity of people in the public sector and in small and medium enterprises (SMEs) to produce goods and services which in turn strengthen Civil Society and local economies. Over 600 Canadians a year participate in our programs.

In the short time we have we cannot address all the issues raised in the document. I do want to make a few general points at the outset and then underline some suggestions that we have.

First, let me say that we strongly welcome CIDA's intent to develop a clear strategic framework for Canada's development assistance. We agree that poverty reduction needs to be at the heart of that strategy.

We also support CIDA's actions to simplify its various internal processes and improve cooperation with external partners.

We share the view that providing greater market access for products from developing countries is of critical importance to improving their economies and reducing poverty.

And we agree that Canada should move to reduce its tied aid requirements.

I will turn now to three specific issues: the role of external partners, the role of private sector development and the role of responsive programming and close with a suggestion.

THE ROLE OF EXTERNAL PARTNERS

Aid is more than funding, more than policy dialogue, more than contributions to global bodies. It is about real people working together for a better life.

As your document notes, non-governmental organizations are among your key, external partners through whom development programs are implemented, making them essential to the delivery of donor assistance. We appreciate this recognition and your clear confirmation of this earlier today.

NGOs provide a flexible means of responding to very grassroots needs in a simple, timely manner.

We recognize that globalization can produce both positive and negative impacts. What is not sufficiently recognized is that in the short to medium term, the poor in the world's poorest countries are becoming poorer.

Thousands of Canadians are willing to share their time and expertise with these vulnerable people and the organizations which support them to offset these inevitable negative effects

Many of these Canadians are volunteers. There is, however, no specific reference in the consultation document to the value of the enormous contribution they have made and continue to make.

The value added of all these volunteers is felt not only in the countries in which they work, but equally at home in Canada where they contribute so directly to our Civil Society. They are a visible expression of Canada's humanitarian concern for those in need.

We believe your document would be greatly strengthened, particularly in this the International Year of Volunteers, if more specific and direct reference were made to both the historical and continuing role that Canada's volunteers make to the field of development.

THE ROLE OF PRIVATE SECTOR DEVELOPMENT

We were very pleased to see the emphasis in your document on the appropriate role of private sector development.

As the document states: "It is now widely recognized that private-sector development in developing countries is a powerful force for poverty reduction."

Creation of jobs is important in reducing poverty. Jobs grow fastest in the small and medium sized enterprises. Our experience over several decades working with small and medium-sized businesses demonstrates this fact clearly.

THE ROLE OF RESPONSIVE PROGRAMMING

You ask a number of questions about this in your document. CESO recommends that a responsive and locally-developed programming component of aid be continued.

It will complement the international sector-wide approaches (SWAPS) and donor-coordinated projects and will maintain the humanitarian, Canadian tradition of identifying with the relief of injustice and suffering.

This is needed even in countries where the national government has a poverty reduction strategy.

We think a sectoral focus can make sense. It allows for building knowledge, coordinating resources, building lasting relationships in other countries and strengthening Canadian development expertise in these sectors. But we would caution that the implementation of a sector policy not exclude really viable responsive development work. What we need to do now is define what that responsive program would look like.

HOW TO WORK TOGETHER

The Canadian Council for International Cooperation (CCIC) makes a very important recommendation to CIDA and one which CESO thoroughly endorses: Invite Canadian NGOs to work with CIDA in the area of policy development.

Two areas where NGOs and CIDA can work together to reduce poverty and strengthen local communities are in Africa and Latin America where Canada has made specific commitments through the G8 and the Free Trade Agreement of the Americas. Canada has taken a leadership role in both these initiatives.

NGOs can play a role in ensuring these initiatives strengthen rather than weaken the most vulnerable. We have an opportunity now to work together with you. Why don't we do it?

Madame Minister, we know and believe that you want Canadian aid to reduce the suffering in the world. We know the choices are hard. We urge you to keep a balance between international efforts and bringing immediate benefits to the lives of the people for whom aid is intended.

Thank You.