Policy Coherence for Development?
An Examination of Canada’s Whole-of-Government Approach in Latin America

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1. Introduction

In the early 1990s, the term “policy coherence” became widely used in the international donor community. Policy coherence is defined by the OECD as “the systematic promotion of mutually reinforcing policy actions across government departments and agencies creating synergies towards achieving the agreed objectives.” In a development context, this term reflects the recognition that aid alone is insufficient to achieve development objectives, and that there should thus be coordination between a donor’s aid and non-aid policies in areas such as trade, investment, security and migration – areas that have profound impacts on development. Policy coherence for development (PCD) means that developed countries’ non-aid policies should support, or at least not undermine, progress towards development goals. For instance, an industrialized country may be providing subsidies to a domestic industry that otherwise would be an area of competitive advantage for a developing country, thereby undermining the latter country’s progress towards development goals. In such a case, the government of the developed country might remove the subsidies, thus enabling the developing country’s industry to compete on a level playing field and helping its economy mature. This policy goes beyond traditional aid giving. It is using a country’s economic policy to achieve a development objective.

In an attempt to enhance coherence of Canada’s international policies, on March 21, 2013, the federal government, in its annual budget, announced that the Canadian

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International Development Agency (CIDA) would merge with the Department of Foreign Affairs and International Trade (DFAIT) to create the Department of Foreign Affairs, Trade and Development (DFATD). The budget stated that this change would enhance “alignment of our foreign, development, trade and commercial policies and programs [which] will allow the Government to have greater policy coherence on priority issues and will result in greater overall impact of our efforts.” The legislation governing the merger became law on June 26, 2013.

The merger has reignited a debate about whether the closer alignment of Canada’s various foreign policies enhances or reduces aid effectiveness. Some argue that this will enable the government to use various foreign policy tools to achieve development goals. Others believe that this will result in foreign aid being increasingly used to support Canada’s strategic or commercial interests, and that this will reduce aid effectiveness, since the primary objective will not be poverty reduction. At the heart of this debate is the question of what the ultimate goal of enhanced policy coherence is – whether it is policy coherence for

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5 Ibid. p. 241.


development, or policy coherence for some other objective, such as to advance commercial interests. One of the primary aims of this research project is to answer this question.

In Canada, policy coherence is pursued through the “whole-of-government” approach, which aims to align the policies and programs of federal government departments to a set of high-level outcome areas defined for the government as a whole. The whole-of-government approach was first articulated under Prime Minister Paul Martin in his government’s 2005 International Policy Statement (IPS), although similar ideas had been put forward earlier.9 The IPS provided a strategic vision for Canada’s international engagement. The objective of the IPS was to outline shared objectives for the various government departments involved in Canada’s international affairs.10 In other words, it laid out a whole-of-government approach for Canada’s foreign policy.

The year after the IPS was released, Prime Minister Stephen Harper’s Conservative government was elected. The new government has not issued an overriding foreign policy statement to replace the IPS, and therefore the IPS has remained an important document.11 The current government continues to recognize the need for a whole-of-government approach. The approach, as currently articulated, consists of four spending areas, each of

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which consists of four outcome areas. The relevant spending area for this research project is “international affairs,” which has the following outcome areas:

i. A safe and secure world through international engagement

ii. Global poverty reduction through international sustainable development

iii. A strong and mutually beneficial North American partnership

iv. A prosperous Canada through global commerce

This research project focuses on one region where Canada has attempted to implement the whole-of-government approach. In 2007, Stephen Harper announced his intention to revive and expand Canadian political and economic engagement in the Americas as a major foreign policy goal. The government’s website states that the Americas Strategy was developed as “a whole-of-government approach toward a more prosperous, secure and democratic hemisphere.” The Strategy is intended to guide government departments in establishing their priorities and policies in the region. The Strategy articulates three overriding objectives with which all government departments engaged in the Americas are to align their programs:

i. Increase mutual economic opportunity

ii. Strengthen security and institutions

iii. Foster lasting relationships

This project used the Americas Strategy as a case study of the whole-of-government approach. Within the Americas, I conducted a comparative case study of two countries –

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13 Ibid.


15 Ibid.
Honduras and Colombia. These countries were selected from CIDA’s six countries of focus in the Americas, which at the time included Peru, Bolivia, Haiti and the Caribbean region, in addition to the two chosen.\textsuperscript{16} The Caribbean was eliminated due to the practical difficulties associated with studying a region rather than a specific country. Haiti was also excluded because, after reviewing the academic literature, I found that a significant body of work already exists on Canada’s whole-of-government approach in Haiti.\textsuperscript{17} I therefore felt that it would be difficult to add a new dimension and make a valuable contribution to the literature. The two countries were thus selected from the remaining four based on the amount of development assistance they receive from Canada – Honduras and Colombia are the largest recipients of Canadian development assistance in Latin America and the Caribbean after Haiti (see figures 3 and 7 for details).\textsuperscript{18}

The research questions that this project aims to answer are: To what extent has the Strategy for Engagement in the Americas facilitated coordination among the various Canadian government departments operating in Honduras and Colombia? To what extent are

\textsuperscript{16} On June 26, 2014, the government announced a new list of countries of focus, which dropped Bolivia. See http://www.theglobeandmail.com/news/politics/ottawa-expands-priority-foreign-aid-list/article19357278/#dashboard/follows/


their policy coherence efforts aimed at promoting development? What explains the extent and primary objectives of policy coherence? In short, the research seeks to determine how and to what extent departments coordinate with each other in forming policy, which actors and motives drive this whole-of-government process (with a particular focus on the role of development), and why.

The findings indicate that coordination among government departments remains fairly weak. Meaningful efforts to create synergies and eliminate incompatibilities between policies are not occurring on a regular basis. The findings also indicate that other factors, namely political and economic considerations, play a greater role than development in shaping Canada’s foreign policy. Development has not been a primary objective for the Canadian government in its engagement with Latin America.

The next section of this paper will describe the methodology used to collect and analyze the data. Chapter 2 will review the academic literature and situate this study within existing scholarly work. Chapter 3 will provide background information on the Americas Strategy and Canada’s relations with Honduras and Colombia in order to provide some additional context for the findings of this study. Chapter 4 will present and analyze the findings, and Chapter 5 will conclude.

1.1 Methodology

Six semi-structured interviews were conducted with DFATD officials from January through March 2014. Potential interviewees were identified using the Government Electronic Directory Services and were contacted by email. Some participants suggested other names of potential interviewees. Thus, through a snowballing technique, I found more
participants. Arranging interviews proved to be very difficult, as many people were unwilling or unable to speak with me. In many cases, those who were contacted either did not respond to multiple requests for an interview, or responded that they could not participate. This meant that I was not able to collect the amount of data I had initially intended to gather. I had planned to conduct 12 to 15 interviews, but due to the difficulties I encountered, I decided to scale back the project from a Thesis to a Major Research Paper. It is thus important to note the limitations of this study, as the sample size was quite small. The range of perspectives I heard was therefore narrow, and had I had the opportunity to speak with more people, I may have discovered different perceptions and insights that might have broadened my findings.

The objective of the interviews was to gain insight into how the whole-of-government approach works in practice. The interviews aimed to address questions such as: How and by whom are decisions about foreign aid priorities and policies made and to what extent is development policy shaped by the priorities of other government departments or of the government as a whole? Have there been situations in which one department’s objectives have come into conflict with another’s and, if so, how were the varying objectives prioritized? How aware are departments of, and do they take into consideration, the priorities of other departments when establishing their policies and programs? In order to answer these types of questions, it was necessary to speak with insiders who were able to provide information that is not available elsewhere.

The data collected through the interviews was analyzed qualitatively. Each interview question was designed to inform one or more of the research questions. The interviewees’ responses to each question were compared to identify trends and commonalities or
contradictions. Where consistent responses were identified, I was able to draw conclusions about the relevant research question.

In addition to the interviews, I conducted a review of government policies and other primary documents. This included documentation on Canada’s foreign policy generally, information available on the Americas Strategy, as well as the individual departments’ policy and programming documents for each of the country case studies.

General information on Canada’s foreign policy included the government’s 2014 budget, foreign policy papers, press releases, and speeches from Ministers Christian Paradis and Julian Fantino. Unfortunately, the documents available on the Americas Strategy were quite limited. The Americas Strategy Implementation Plan (ASIP) is the primary policy document on the Strategy, but it is a Cabinet document and is thus excluded from Access to Information legislation, along with all documents referring to ASIP. The Americas Strategy document review was thus limited to the information available on the DFATD website, press releases, as well as the final report from an internal evaluation of the Strategy that was conducted by DFAIT. In addition, I reviewed CIDA’s country strategies for Colombia and Honduras, an internal evaluation of CIDA’s Colombia program, the text of Canada’s free trade agreements with each of the countries, and the DFATD website pages on Colombia and Honduras in an effort to determine what each department’s priorities and programs are in each country.

The purpose of the document review was to determine what the stated priorities and policies of the government are in order to inform my research questions. The information gathered from the documents was also used to triangulate the interview data. Where possible, statements made by interviewees were compared with information available in the
documents. This allowed me to identify consistencies or inconsistencies with the interview responses and draw conclusions about the research questions.

Based on the literature review, I identified several elements that are necessary for policy coherence. These include political commitment to development and PCD, identification of the government’s overall objectives around which each department’s policies will cohere, and institutional mechanisms to promote coordination and communication between departments. These elements were used as a framework against which the aggregated data was analyzed to answer the third research question, namely to explain the extent and objectives of policy coherence.

2. Literature Review

2.1 Policy Coherence for Development

Defining and Conceptualizing PCD

Scholars and practitioners have stressed the importance of defining PCD as a first step towards implementing it, and have attempted to clarify the concept. Four different types of PCD have been identified in the literature: (i) internal coherence between a donor’s aid policies; (ii) intra-country coherence between a donor’s development policies and non-aid policies, both foreign and domestic; (iii) inter-country coherence between various donors’ aid policies; and (iv) donor-recipient coherence between the donor and recipient country’s
Almost all international discussions on PCD have focused on the second type. Intra-country coherence is thus the focus of this study.

The definition of PCD has broadened since the OECD coined the term in the early 1990s. It is now recognized that PCD can be understood in both negative and positive terms. While in the past PCD was mainly focused on eliminating incompatibilities to ensure that non-aid policies are not detrimental to developing countries, it now includes more positive actions whereby donors create synergies between aid and non-aid policies and use resources beyond development assistance to promote development.

Implementing PCD: Challenges and Approaches

In the international literature on PCD, it is generally assumed that coherence is a goal that donors should pursue. Academic and policy papers have thus mainly focused on identifying challenges that make PCD difficult to achieve, and exploring approaches to overcoming those challenges.

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Guido Ashoff explored some of the complexities involved in the management of PCD, such as generating political will in view of conflicting interests; formulating and justifying objectives around which policies should cohere; identifying and eliminating incoherencies; distributing formal responsibilities; and interdepartmental coordination. He also identified several elements that are important to the success of PCD, including commitment by the ministers responsible for development to PCD; cabinet ranking of development policy; justification of the goal of PCD and identification of the specific needs of individual policies; proactive work on coherence by the ministries responsible for development policy; and dissemination of information both within government and to the public.

The OECD identified a number of ‘tools of coherence,’ including commitment by the political leadership; establishing a strategic policy framework; coordination to ensure horizontal consistency among policies; mechanisms to anticipate, detect, and resolve policy conflicts early in the process; implementation procedures and monitoring mechanisms designed to ensure policies can be adjusted in light of progress, new information and changing circumstances; and an administrative culture that promotes cross-sectoral cooperation and systematic dialogue between different policy communities. Notably, many of these reflect the challenges and approaches discussed by Ashoff.

Galeazzi et. al. also examined mechanisms necessary for the successful implementation of PCD. Like Ashoff and the OECD, they stressed the importance of

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developing and maintaining political interest in and support for PCD, as well as choosing clear objectives with measurable progress indicators. Sianes also emphasized the importance of generating political will and establishing a shared PCD agenda. In addition, he suggested establishing an interdepartmental office and increasing institutional capacity to help implement PCD. Similarly, Carbone noted that lack of political commitment to PCD and varying and competing interests pose challenges to the implementation of PCD. Keijzer also emphasized the importance of political will and the adoption of clear objectives, as well as the facilitation of information exchange, and research, monitoring and evaluation. The European Union published a study in 2006 that reviewed the PCD efforts of the EU and its member states. The study presents mechanisms to promote PCD, including political commitment, clearly defined objectives, institutional coordination, and systems for generating, transmitting and processing information in order to recognize policy inconsistencies.

McLean Hilker also stressed the importance of both political will and administrative and institutional processes for the implementation of PCD. She stated that PCD must be an explicit goal enshrined in policy statements and that the political leadership must be committed to development. She made note of several institutional structures that can help

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with PCD implementation, including a central coordination unit, a lead department that has responsibility for various aspects of foreign policy, but ensures sufficient emphasis is placed on development, a separate development ministry, and special bodies tasked with coordinating policies and ensuring coherence. She also emphasized the importance of research, analysis, and monitoring and evaluation.

Barry, King and Matthews presented five challenges for the PCD agenda. Like Ashoff and others cited above, the authors recognized opposing interests as a central challenge for the implementation of PCD. In addition, the authors put forward four other challenges, including conflict between development objectives themselves; conflicts between experts on what ‘good’ development policy is; difficulties identifying the true development interests of developing countries; and growing heterogeneity between and within developing countries. The authors suggested that effective decision-making procedures, strong oversight mechanisms, and a robust evidence base are necessary in order to overcome these challenges.

Klugkist and Genee identified “7 Cs” that have played an important role in the implementation of PCD in the Dutch case.\(^{30}\) These include commitment by the political leadership; capacity of staff to analyze and act on complex policy issues; competence of staff working on PCD; coordination between departments; concrete targets; development cooperation funds to help facilitate policy goals; and coalition building.

Several common elements necessary for the success of PCD can be drawn from the international literature on the subject. First, almost all scholars emphasize the importance of political commitment at the highest levels to development and PCD. Second, most authors

discuss the necessity of establishing clear objectives for the government as a whole. Third, the creation of institutional structures to promote coordination and implement the PCD agenda is cited as an essential step for governments to take. The absence or presence of these elements was used to answer the third research question, i.e. to explain the extent and objectives of policy coherence.

2.2 Policy Coherence for Development in Canada

Having reviewed the international literature on PCD, this section will turn to the Canadian literature on the topic. Unlike the international literature, which has generally assumed that PCD is a positive goal that should be pursued, much of the literature on policy coherence in Canada has been more skeptical about the outcomes of enhanced policy coherence. For instance, Cranford Pratt demonstrated that greater policy coherence between CIDA and the Department of Foreign Affairs is not necessarily positive for development, as it is sometimes assumed to be.31 He argued that because the Canadian public and its government place little emphasis on foreign aid and development and place more emphasis on other foreign policy concerns, such as commercial interests, greater policy coherence is likely to result in development goals being subordinated to other foreign policy objectives.

Stephen Brown has similarly argued that in most cases, the Canadian government’s use of policy coherence tends to undermine development efforts.32 He has pointed out that

the outcomes of policy coherence depend on what the underlying objectives of the whole-of-government approach are – is the government trying to achieve development outcomes, or other foreign policy goals? According to Brown, it is usually the latter, and this has reduced the effectiveness of Canadian development assistance. Molly den Heyer has also argued that policy coherence in the Canadian context has generally reduced the effectiveness of Canadian aid.\textsuperscript{33} She has demonstrated that CIDA lacks political sway, and is therefore vulnerable to the political influence of other departments. This vulnerability has been accentuated by the adoption of a whole-of-government approach that promotes policy coherence, and has made it difficult for CIDA to create a long-term aid policy framework.

Hunter McGill examined the 2007 OECD-DAC Peer Review to evaluate Canada’s PCD performance.\textsuperscript{34} Reflecting analyses by Pratt, Brown and den Heyer, the peer review criticized Canada for emphasizing how development cooperation could benefit Canada’s foreign policy interests rather than the reverse. McGill also found that the peer review criticized Canada for not having a clear policy statement supporting PCD. The review further noted that CIDA officials do not have the capacity to examine the policy proposals of other government departments to determine the impact of these proposals on development, whereas development cooperation agencies in countries such as Sweden and the UK do have this capacity. McGill pointed out that there are no mechanisms to support inter-departmental


dialogue, and this prevents departments from promoting coherence and resolving incoherence.

Blackwood and Stewart provided an example of how policy coherence has negatively impacted Canada’s development assistance due to the primacy given to the objectives of other departments over those of CIDA. They examined the support provided to Canadian mining companies by the Canadian government through its development assistance. They argued that while the government cites this support as an excellent example of the whole-of-government approach, in reality, providing support to mining companies is incompatible with the objectives of Canada’s aid, as defined by the ODA Accountability Act (ODAAA). The ODAAA states that aid should contribute to poverty reduction, take into account the perspectives of the poor, and be consistent with international human rights standards.

While much of the literature on policy coherence in the Canadian context has found that the government has used policy coherence to pursue non-development objectives, there are some divergences. For example, Stephen Baranyi and Anca Paducel argued that the whole-of-government approach can have either a positive or negative impact on development, depending on the circumstances. They found that the whole-of-government approach favoured development in Haiti and South Sudan. On the other hand, the authors argue that development was not at the fore of Canada’s whole-of-government effort in Afghanistan, and that instead aid was used to support military objectives. This undermined the effectiveness of Canada’s aid efforts.


Weston and Pierre-Antoine argued that more coherence is needed between various government departments. They examined Canada’s relations with Mali, Bangladesh and Jamaica and found that government departments did not always collaborate when establishing their policies for the countries, leaving potential complementarities unexplored. The authors recommended that Canada establish a policy framework to guide the policies and practices of various government departments working in the developing world. Bülles and Kindornay have similarly argued that Canada should be stepping up its PCD efforts. Like Weston and Pierre-Antoine, the authors suggested that Canada should establish a policy framework to guide its relations with the developing world in an effort to make aid and non-aid policies more coherent.

Particularly in light of the recent CIDA-DFAIT merger, more research is needed into policy coherence in the Canadian context. Scholars remain divided about the Canadian government’s use of the whole-of-government approach, with most arguing that policy coherence has resulted in the subordination of development goals to other objectives. A central aim of this project is to add clarity to this debate by examining which actors and motives have driven whole-of-government efforts in the two cases.

2.3 Motivations for Canadian Foreign Aid

Another theme in the literature regards donors’ motivations for providing foreign aid. This theme is closely related to the issue of policy coherence. As discussed above, the literature on policy coherence for development in Canada has largely found that greater

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policy integration leads to increased emphasis on foreign policy and commercial interests, and reduced emphasis on development outcomes. This indicates that greater policy coherence results in Canada’s foreign aid program being driven primarily by self-interested, rather than humanitarian, motivations.

Cranford Pratt identified in the literature on Canadian development assistance two rationales for foreign aid, namely humane internationalism and international realism. Humane internationalism holds that foreign aid is provided due to a moral obligation of wealthier individuals and countries to help those living in poverty. International realism, on the other hand, argues that foreign aid is used as a self-interested tool to advance the donor’s own political, commercial and security interests. Pratt argued that while Canadian development assistance has been presented primarily in terms of humane internationalism, it is recognized that its development policies have been greatly influenced by its trade and investment interests and by international and domestic political considerations. Pratt advocated a greater emphasis on the humane international basis for foreign aid.

David Black and Rebecca Tiessen argued that whenever Canada’s foreign aid program begins to favour either the international realist or humane international conception of foreign aid, countervailing forces put pressure on CIDA to change its focus, and that “the result has been a chronic lack of clarity of purpose, undermining the credibility of the aid

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program among advocates of both normative perspectives, and weakening CIDA’s political position within and beyond government.40

This assessment is supported by Liam Swiss, who provided an overview of Canadian aid motivations over time.41 According to Swiss, prior to the formation of CIDA, development assistance was closely linked to Canada’s foreign policy and commercial objectives – in other words, it was based on international realism. After the creation of CIDA in 1968, humane internationalism became a more primary motivation for the aid program. However, aid became closely tied to Canada’s national interests again after 1977. In the late 1990s, there was a swing back towards humane internationalism, but in the last decade commercial and foreign policy interests have again played a more prominent role in aid motivation.

Kim Nossal took a different perspective in looking at motivations for Canada’s foreign aid.42 He argued that although it is commonly assumed that foreign aid is motivated by either philanthropic concerns, or economic or political interests, these cannot adequately account for contemporary aid policies. He instead put forward three other motivations for Canadian foreign aid, namely the state’s interest in prestige (the state’s standing in the international community), organizational maintenance (maintaining CIDA and the jobs of bureaucrats employed there), and limiting real expenditures, which he claimed more accurately account for Canada’s development assistance policies.

Stephen Brown has agreed with Nossal’s assessment, emphasizing in particular the importance of prestige. In discussing recent motivations driving Canadian development assistance, he stated “though self-interest has become more important, the desire for prestige (as suggested by Nossal in 1988), in particular Canada’s international reputation, better explains most recent changes than do more tangible commercial or even national-security interests.”\(^{43}\) He went on to explain that under Prime Minister Jean Chrétien, ODA steadily declined throughout the 1990s, yet in the early 2000s, Chrétien became a major proponent of development assistance and aid to Africa in particular. Brown attributed this change to Chrétien’s quest for personal legacy. Paul Martin was driven less by a desire for personal legacy and more by a desire to improve Canada’s standing in the world. According to Brown, he was particularly interested in repairing Canada’s relationship with the United States, and demonstrating that Canada could be a valuable member of NATO. Brown argued that although there is some evidence to suggest that the government has been driven partially by prestige under Prime Minister Harper, there has been a shift in recent years towards commercial self-interest.

In sum, a mix of motivations have been identified as drivers of Canadian aid, including humanitarianism, political and economic self-interest, and prestige. Identifying which motives are driving and shaping the Canadian aid program in Latin America, and Honduras and Colombia specifically, was a key part of my research, particularly for answering my second research question regarding the extent to which development is a primary objective of Canada’s whole-of-government approach. If aid is being motivated and

shaped by self-interested objectives, this suggests that development is likely not a primary concern of the government.

2.4 Canada’s Policies Towards Latin America

According to Jean Daudelin, “every twenty years or so, it seems, Canada rediscovers the Americas.”

Beginning in 1968, Pierre Trudeau put an emphasis on Latin America as an important part of his government’s foreign policy. Latin America featured prominently in the 1970 foreign affairs statement *Foreign Policy for Canadians*.

However, soon after this, much of the region fell into economic and political crisis. Canada backed off for the next two decades. In the late 1980s, Latin America again became a region of focus for Canada’s foreign policy. The Mulroney government released a *Latin America Strategy* in 1989, and became a lead promoter of the Free Trade Area of the Americas, an active participant in the Summit of the Americas process, and a supporter of the growing role of the Organization of American States in promoting democracy in the region. Interest in the region stagnated again during the Chrétien and Martin years, as Canada shifted focus towards Africa and Afghanistan. In recent years under Stephen Harper, we have seen a resurgence in Canadian engagement in Latin America.

Today, there is a growing body of literature examining Canada’s relations with Latin America and the Caribbean, and the objectives guiding Canadian foreign policy in the region. Heidrich and Kindornay, for example, examined Canada’s trade, investment and

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development relations with Latin America and the Caribbean. They found that Canada’s engagement in the region is shaped primarily by Canadian investment and trade interests. Another key driver identified by the authors is strengthening security in countries affected by the drug trade, which is seen as improving Canadian security. Furthermore, Canada has sought to strengthen institutions that keep in check the power of the executive branches of Latin American governments in order to constrain the efforts of populist leaders attempting to reform neoliberal policies instituted in the 1980s and 1990s – policies that greatly benefitted Canadian investors.

Blouin, Giral and Bhusan argued that Canada’s current approach in Latin America is insufficient in addressing income inequality in the region, and that a potential role for Canada to contribute to inclusive growth could be to focus on helping governments harness the benefits and mitigate the harms of the mining sector. Grinspun and Mills and Shamsie and Grinspun argued that Canada should redirect its priorities away from trade and towards human development, ecological sustainability, and democratization of trade policy formation in Ottawa.

Canada’s relations with Honduras and Colombia in particular have also received some scholarly analysis; however, this literature is quite limited. A few studies have been written criticizing the role played by Canada in the Honduran coup of 2009 and Canada’s

relations with Honduras since the coup. These papers have largely suggested that Canada has supported its commercial interests in Honduras over democracy promotion and human rights.

The literature on Canada’s relations with Colombia is divided about the primary motivations driving Canada’s foreign policy in the country. For instance, Todd Gordon put forward two principal reasons for Canada’s engagement in Colombia: First, to gain market access to the country, which is rich in natural resources such as coal, oil and gas, nickel, gold, iron ore, silver, and platinum; and second, to take advantage of Colombia’s strategic value as one of the only countries in the Andean region that continues to support foreign investment and neoliberal policies. On the other hand, Randall and Dowding suggested that Canada’s approach in Colombia has focused on human rights, conflict resolution, and social development.

A few papers have also been written critiquing the Canada-Colombia free trade agreement (FTA), an important part of Canada’s whole-of-government approach in the country. These critics have argued that the terms of the agreement raise human rights concerns due to the troubling Colombian context, discussed in greater detail below. Pointing to connections between commerce and human rights violations in the country, they voiced

concern that giving new investor rights to corporations without corresponding responsibilities would pose a risk to vulnerable groups, such as indigenous peoples. Although the agreement did include side agreements on labour and the environment, the authors argued that due to the lack of an enforcement mechanism, these were ultimately ineffective. They further maintained that by ratifying the deal, Canada provided political support to the Colombian government, which has been implicated in gross human rights violations.

This project aims to add to the literature on Canada’s policies towards Colombia and Honduras by examining the whole-of-government approach employed in these countries. The next chapter will provide background information on Canada’s Strategy for Engagement in the Americas and Canada’s relations with Honduras and Colombia in order to provide some additional context for the research findings.

3. Background

This chapter begins by outlining Canada’s Strategy for Engagement in the Americas. It then provides some background information on Honduras and Colombia, as well as Canada’s relations with each of the countries. The central goal of this chapter is to provide context for the research findings and analysis presented in the next chapter.

3.1 Canada’s Strategy for Engagement in the Americas

After two decades of limited Canadian government involvement in Latin America, Stephen Harper announced his government’s Americas Strategy in 2007 in an effort to re-
engage with the region. The original Americas Strategy was based on three pillars: increasing economic prosperity, reinforcing democratic governance, and advancing common security. In 2011, an internal evaluation criticized the government’s implementation of the strategy, noting that an understanding of the strategy’s objectives across departments was poor, and oversight and funding were lacking. Following this, DFAIT consulted widely on how to re-write the strategy, and released a new version in 2012. The most recent strategy replaced the “democratic governance” pillar with the objective of “fostering lasting relationships.” This section will describe the current Strategy and Canada’s activities within each of the strategic objectives.

**Increasing Mutual Economic Opportunity**

The Canadian government is working to strengthen trade and investment ties with countries in Latin America, particularly those with which it has free trade agreements. From 2000 to 2012, Canadian direct investment in South and Central America nearly doubled, increasing from $21.3 billion to $40.4 billion (see Figure 1). The financial sector and the extractive industries constitute important areas of Canadian investment in the region. Total trade between Canada and Latin America and the Caribbean increased by 32% from 2007 to 2012. Bilateral merchandise trade was $25.4 billion in 2012. Canada has concluded seven

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free trade agreements with countries in the Americas, more than in any other region in the world (see Figure 2). 

![Figure 1](image)

**Figure 1**
Canadian Direct Investment: South and Central America

<table>
<thead>
<tr>
<th>Country</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Panama</td>
<td>In Force: April 1, 2013</td>
</tr>
<tr>
<td>Colombia</td>
<td>In Force: August 15, 2011</td>
</tr>
<tr>
<td>Peru</td>
<td>In Force: August 1, 2009</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>In Force: November 1, 2002</td>
</tr>
<tr>
<td>Chile</td>
<td>In Force: July 5, 1997</td>
</tr>
</tbody>
</table>

58 Statistics Canada. 2013. “Canadian Direct Investments Abroad (Stocks).” Table 376-0051
Strengthening Security and Institutions

Canada is working to improve security in the region, particularly in Mexico, Central America and the Caribbean.\(^{60}\) This is occurring through the provision of training and other resources to help combat transnational organized crime, something which not only affects citizens in the region but also Canadians directly. Important programs in this area include the Military Training and Cooperation Program, which aims to help transform armed and security forces into transparent and accountable institutions, and the Anti-Crime Capacity Building Program, which seeks to tackle illicit drug trafficking, security-sector reform, crime prevention, corruption, human trafficking and money laundering. While promoting democratic governance is no longer a pillar of Canada’s engagement in the region, democracy promotion is briefly mentioned under the “security and institutions” objective on the government’s Americas Strategy website: “Canada has provided expertise and contributions… to strengthen institutions that safeguard freedom, democracy, human rights and the rule of law.”\(^{61}\)

Fostering Lasting Relationships

Canada has made both high-level political engagement and people-to-people ties a pillar of its engagement with the region. This includes working to strengthen bilateral

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\(^{61}\) Ibid.
relationships, particularly with free trade partners; supporting regional organizations such as the Organization of American States and the Inter-American Development Bank; increasing two-way business and student mobility; increasing tourism; supporting Canada-Americas private sector partnerships; and increasing high-level visits by Ministers across the Government of Canada.\footnote{DFATD. 2014. “Canada’s Strategy for Engagement in the Americas. Goal 3: Fostering Lasting Relationships.” Retrieved from http://www.international.gc.ca/americas-ameriques/relationships-relations.aspx?lang=eng}

### 3.2 Honduras and Canada-Honduras Relations

Honduras is a lower-middle income country with a population of 8.6 million, more than two thirds of which is living in poverty and nearly half in extreme poverty.\footnote{The World Bank. 2014. “Honduras Overview.” Retrieved from http://www.worldbank.org/en/country/honduras/overview} Honduras was largely under military rule until 1982, when a civilian government was elected and a fragile democracy was installed.\footnote{UNDP. 2006. “Country Evaluation: Honduras.” New York: UNDP.} During the 1980s, Honduras became a staging ground for the U.S.-backed war against the socialist government in Nicaragua and left-wing guerilla forces in El Salvador.\footnote{Shepherd, Philip. 1984. “The Tragic Course and Consequences of U.S. Policy in Honduras.” \textit{World Policy Journal} 2, no. 1. 109-154.} The U.S. poured military aid into the country and set up base camps for the Contras – right-wing paramilitary groups established to overthrow the Sandinistas in Nicaragua.\footnote{Ibid.} Severe human rights abuses were carried out throughout the decade by the military against dissenters – from abductions to torture, disappearances and extra-judicial
killings. While some army officers have been charged with human rights violations, many
have yet to be prosecuted for abuses carried out during the 1980s.

In June 2009, democratically elected President Manuel Zelaya was ousted in a
military coup. The moderately left-of-centre president was replaced by Roberto Micheletti,
who had failed three times to become President through the electoral process. The coup
was followed by a wave of repression by the military and police against anti-coup activists.

In November 2009, an election was held. It was surrounded by repression and intimidation,
and no candidate opposing the coup ran. Furthermore, the anti-coup resistance movement
boycotted the election. As such, it has not been recognized as legitimate by most Latin
American governments (notably, Canada was one of the only countries to recognize the
election, stating in a press release that “the elections appear to have been run freely and
fairly”). Nevertheless, Porfirio Lobo, the right-wing candidate who had lost the previous
election to Zelaya, won and assumed office. Since coming into power, increased levels of
violence and politically motivated killings and repression have continued. In particular,
human rights advocates, journalists, indigenous and campesino leaders, and members of the
LGBT community are targeted on a regular basis.

67 Ibid.
Ariel Armony, eds. Repression, Resistance, and Democratic Transition in Central America. Wilmington,
DE: Scholarly Resources Inc. 47-66.
Research 30, no. 3. 328-343
70 Ibid.
71 Ibid.
December 1, 2009.
Research 30, no. 3. 328-343
report/2014/country-chapters/honduras
Honduran society is rife with inequality and per capita income is one of the lowest in
the region. 75 Fifty percent of Hondurans are under the age of 19, but high unemployment and
poverty along with the prospects offered by the drug trade have contributed to high levels of
violence and crime. 76 This is reflected in the country’s murder rate of 91.6 per 100,000 – the
highest murder rate in the world. 77 Police officers have been implicated in high profile
crimes, eroding citizens’ confidence in the rule of law. The Honduran economy has
experienced modest growth of 3 to 4 percent per year since 2010. 78 The country is a major
producer of bananas and coffee and has diversified into the textile industry. 79

Canada and Honduras established diplomatic relations in 1961. Today, Canada
engages with Honduras primarily through development cooperation, trade and investment,
and security promotion. As previously mentioned, Honduras is a country of focus for
Canada’s development assistance and is the largest recipient of Canadian bilateral aid in
Central America. Canada’s ODA to Honduras has increased significantly in recent years,
nearly tripling from 2007 to 2012 (see Figure 3) 80. The Canadian aid program focuses on
two priority areas: Children and Youth and Food Security. 81 Within these areas, Canada is

75 World Bank. 2014. “Honduras Overview.” Retrieved from
76 Ibid.
world-factbook/geos/ho.html
focusing on maternal and child health and basic education, and is working to improve rural agricultural productivity.  

In recent years, commercial relations between Canada and Honduras have expanded. Bilateral merchandise trade between Canada and Honduras reached $257 million in 2012. While this number is fairly modest in absolute terms, it has been growing rapidly, with a 46% increase in the five-year period from 2007 to 2012 (see Figure 4). Merchandise exports to Honduras were $39 million in 2012, while merchandise imports from Honduras amounted to $219 million. Canada’s top imports from Honduras are knitted apparel, fruits

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82 Ibid.
and nuts, coffee, tea and spices.\(^{87}\) Canada’s top exports to Honduras are fertilizers, machinery and chemical products. Canadian foreign direct investment is prominent in Honduras in mining and garment manufacturing.\(^{88}\) However, figures for Canadian direct investment in Honduras are not publicly available, as they are classified as confidential by Statistics Canada.\(^{89}\)

In 2011, Canada and Honduras concluded negotiations for a free trade agreement, which was signed in November 2013. The agreement has raised controversy, with critics arguing that it will further undermine human rights and democracy in Honduras.\(^{90}\) Canadian investments in the mining, manufacturing and tourism sectors in Honduras have been controversial. In the mining sector, the most notorious case has been Vancouver-based Goldcorp’s San Martin gold and silver mine, where members of surrounding communities have reported serious health problems, water contamination, and dried-up streams, leading to increased levels of social conflict.\(^{91}\) In the garment manufacturing sector, Montreal-based Gildan Activewear is known for poor working conditions, excessively long work shifts,
work-related injuries, and for firing workers for attempting to unionize. In the tourism industry, Canadian investments are displacing indigenous and Afro-Honduran peoples from their traditional lands.

Critics of the free trade agreement argue that, by protecting and promoting Canadian investors without corresponding protections for the Honduran people, the deal will exacerbate the human rights crisis. While the deal does include side agreements on labour and the environment, critics argue that these lack enforcement mechanisms and are thus ultimately ineffective. Further, they charge that the agreement serves to legitimize the Honduran government.

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95 Ibid.

96 Ibid.
In the area of security, Canada has provided technical assistance in an effort to help strengthen the criminal justice and law enforcement systems.\textsuperscript{97} Canada has trained police on using specialized equipment such as ballistic forensics, wiretapping, surveillance, and intelligence analysis. The Anti-Crime Capacity Building Program has also provided training, technical assistance and equipment in an effort to mitigate transnational criminal activity.

In short, Canada is engaging with Honduras along multiple fronts, including development, trade and investment, and security. Several government departments are active in Honduras, including various divisions of DFATD, DND, and the RCMP. It thus becomes relevant to examine the extent to which the whole-of-government approach has been applied to coordinate these various activities.

3.3 Colombia and Canada-Colombia Relations

Colombia is the second most populous country and third largest economy in South America. The country has an ethnically diverse population of 46.2 million people, largely of

Spanish, African, and Amerindian descent. Colombia has abundant natural resources including oil, gold, silver, emeralds, platinum and coal. A nearly five-decades long conflict between government forces and anti-government insurgent groups heavily funded by the drug trade has impeded development. The conflict has resulted in an estimated 4.9 to 5.5 million internally displaced people, making Colombia the country with the largest internally displaced population in the world. Since 2002, some progress has been made towards improving security and formal peace talks began in 2012. Nevertheless, violence persists in some areas and serious human rights abuses remain common, while abusers are rarely brought to justice. Populations that are particularly affected include indigenous peoples, Afro-Colombians, human rights defenders, trade unionists and journalists.

Despite Colombia’s security issues, the country has a relatively well-performing economy. The Administration of Juan Manuel Santos, Colombia’s current president, has focused its foreign policy on bolstering the country’s commercial ties and increasing investment. Colombia is a founding member of the Pacific Alliance, a group formed in 2012 including Chile, Mexico and Peru to promote regional trade and integration. Colombia has also signed or is negotiating free trade agreements with many other countries, including

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103 Ibid.
the United States, Chile, Mexico, Switzerland, the European Union, Venezuela, South Korea, Turkey, Japan, China, Costa Rica, Panama, and Israel. The annual level of foreign direct investment reached a record high of nearly US$16 billion in 2012. GDP grew at an average rate of 5% from 2004 to 2012. Nevertheless, Colombia remains heavily reliant on energy and mining exports, making it vulnerable to drops in commodity prices, and insecurity and inadequate infrastructure constrain economic development. Despite consistent growth, high levels of income inequality persist and 7.4 million people, or 16% of the population, live on less than US$1.25 per day and 33% fall below the national poverty line.

Canada established full diplomatic relations with Colombia in 1953. Canada’s engagement with Colombia primarily entails commercial relations, development cooperation, and security promotion. The Canada-Colombia free trade agreement came into force on August 15, 2011. Colombia is Canada’s sixth-largest bilateral trading partner in Latin America and the Caribbean, and third largest merchandise export destination. Two-way merchandise trade reached $1.6 billion in 2011 (See Figure 5). Canada’s top

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106 Ibid.
107 Ibid.
112 Ibid.
merchandise exports are wheat, machinery, paper, fertilizers and electrical machinery.\textsuperscript{115} Top imports include mineral fuels and oils, coffee, fruits and nuts, flowers and sugar.\textsuperscript{116} Colombia is the fifth largest destination for Canadian direct investment in South and Central America\textsuperscript{117} (See Figure 6).\textsuperscript{118} Canadian direct investment totaled $1.7 billion in 2011, much of which was in the mining, oil and gas sectors.\textsuperscript{119}

![Figure 5](image)

The Canada-Colombia free trade agreement raised controversy, particularly among human rights advocates who worried that, within Colombia’s troubling human rights context, companies would bring more violence and repression rather than bringing positive social and economic benefits.\textsuperscript{120} These critics point to the connections between human rights violations and commerce in the country. For example, many indigenous, Afro-Colombian

\textsuperscript{115} Ibid.
\textsuperscript{116} Ibid.
\textsuperscript{117} Ibid.
\textsuperscript{118} Statistics Canada. 2013. “Canadian Direct Investment Abroad (Stocks).” Statistics Canada Table 376-0051.
\textsuperscript{119} Ibid.
and peasant farmer communities have been forced from their land to clear the way for mining investments and export plantations. According to Amnesty International, “more than 60 percent of displaced people in Colombia have been forced to flee areas of mineral, agricultural or other economic importance.” As in the Honduran case, the free trade agreement did include side agreements on labour rights and the environment, but again critics charge that these lack enforcement mechanisms and are therefore ineffectual. These criticisms suggest that the free trade agreements may conflict with development objectives, thus presenting a challenge for the whole-of-government approach.

Canada’s ODA to Colombia has increased significantly since the announcement of the Americas Strategy and the subsequent naming of Colombia as a CIDA country of focus

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in 2009, more than doubling from 2008 to 2012 (see Figure 7).

Canada’s development programming in Colombia focuses on the priority areas of Children and Youth and Economic Growth. Within Children and Youth, Canada is working to improve access to early childhood education, protect the rights of children, and prevent young people’s exposure to violence and illicit activities. Within Economic Growth, Canada is delivering skills-for-employment programs, supporting corporate social responsibility in the private sector and providing trade-related technical assistance. Canada is also working to improve agricultural productivity and facilitate crop diversification to create alternatives to coca production.

![Figure 7](image.png)

The Department of National Defence (DND), the Royal Canadian Mounted Police (RCMP) and DFATD work with Colombia to promote security. Colombia is a priority

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125 Ibid.
126 Ibid.
127 Ibid.
hemispheric partner for DND and is a member of DND’s Military Training Cooperation Program. The RCMP has provided technical assistance on matters such as witness protection, child exploitation and criminal science, and works with the Colombian National Police on investigations into drug trafficking organizations. DFATD has conducted counter-terrorism and anti-crime capacity building programs in the country and has invested over $31 million through the Global Peace and Security Fund to support transitional justice and victims’ rights, international monitoring of conflict issues, conflict management and prevention, and mine action.

As in the Honduran case, Canada has multiple interests in Colombia and is thus engaging in various areas through different departments. Canada’s engagement in Colombia therefore presents both a challenge and an opportunity for the application of the whole-of-government approach.

Having examined the Americas Strategy and Canada’s primary forms of engagement with Colombia and Honduras, the next chapter presents and analyzes the research findings. It discusses the extent to which the Americas Strategy has improved coordination between government departments working on development, economic linkages, and security promotion in Colombia and Honduras. It also examines the role of development specifically in Canada’s whole-of-government approach, and whether development is a primary motivation for Canada’s engagement. Finally, it suggests reasons that explain the extent of coordination and the primary motives of Canada’s approach.


129 Ibid.

130 Ibid.
4. Findings & Analysis

4.1 Extent of Coordination

With regard to the first research question, namely the extent to which the Americas Strategy has facilitated coordination among the various government departments operating in Colombia and Honduras, the findings indicate that coordination remains fairly weak. In 2011, an internal evaluation of the Americas Strategy conducted by DFAIT noted that although the Strategy was designed as a whole-of-government approach, there was in fact little evidence of cooperation between departments. The data collected here suggest that there has not been much improvement in this area since then.

The Latin American and Caribbean Hemispheric Policy Division of DFATD is responsible for implementing Canada’s whole-of-government approach in the region. The Division ensures understanding of the strategy across departments, collects information on their activities, and uses this information to report on achievements. However, it is unclear whether this is a meaningful process that is actually improving coordination amongst departments. As previously mentioned, I was not able to access the Americas Strategy Implementation Plan, so it is difficult to make informed comments on the process. Nevertheless, when asked about the role of the Americas Strategy in guiding each department’s policy making, interviewees answered that departments are required to align their activities with a goal of the Americas Strategy. This response suggested that

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132 Interview with DFATD officials, January 2014.
departments are simply required to state which goal their programs fall under, but that the Strategy is not necessarily helping to shape their activities.

This impression is supported by information gathered in other interviews. Interviewees noted that inter-departmental consultations do not necessarily have a major impact on policy. One participant stated “other departments and the Americas Strategy are of secondary importance if you compare them to CIDA’s own thematic priorities and the needs of the country we’re working in.” Another noted that “no other department has a development mandate…so even if they had come back to us and said ‘no, we don’t think you should be working in health at all, we think you should be working in sustainable economic growth and promoting trade opportunities because we’re working on a free trade agreement’ I don’t think we would have changed it.” A third stated, “when we set priorities we consult with other departments, but mainly we have control.”

In discussing the process of preparing CIDA’s country strategies, one interviewee noted that for the most recent strategy for Honduras, consultations did not take place. (S)he stated:

“In the last 2010 version, we were not allowed to consult… Normally when we do the Strategies we reach out and consult partners, including NGO partners, the government of the country in which we are working, other departments and other donors. We would show them the draft strategy, ask what they think, is this the right area for us to work in, does this make sense etc. In the 2010 strategy we weren’t allowed to do that… we didn’t really consult with Foreign Affairs… they didn’t really get the chance to review the document in draft form and give us feedback… Don’t ask me why because it makes absolutely zero sense to me.”

133 Interview with DFATD official, March 2014.
134 Interview with DFATD official, January 2014.
135 Interview with DFATD official, January 2014.
136 Interview with DFATD official, January 2014.
Some evidence suggests that coordination has been somewhat better on Colombia.

One interviewee stated:

“my political counterpart in DFAIT and I worked very closely on human rights issues. So the political analysis of human rights was influenced by the CIDA program and the CIDA program was informed by our political engagement on human rights issues. The same can be said for the trade program where our concerns on human rights issues affected how we engaged with both the Colombian government and the private sector. Similarly, the opportunities that we saw available in terms of stimulating economic growth were informed by observation, analysis and lessons from our trade colleagues.”

This statement is supported by an internal evaluation of CIDA’s Colombia program, which notes that “CIDA’s initiatives in human and children’s rights in Colombia complement the focus of Foreign Affairs’ Global Peace and Security Fund on peace building, stabilization, and truth and justice.” However, it is not possible to draw any firm conclusions about differences between the two countries from this evidence because those interviewed about Colombia were based in the embassy in Bogotá, whereas those interviewed about Honduras were based in Ottawa/Gatineau (efforts were made to arrange interviews with people in the Honduran embassy, as well as with people working on the Colombia program in Ottawa/Gatineau, but these attempts were unsuccessful). It is therefore possible that the differences observed are due to the greater ease of coordinating among departments within an embassy as compared to the more formal bureaucratic structure of communications between departments in Ottawa. As one interviewee noted, “in most overseas embassies you work not just side by side but really in very close cooperation with other government

137 Interview with DFATD official, March 2014.
departments. So it might look like different silos in Ottawa – different buildings, different processes – but it doesn’t tend to play out that way in most missions.”\(^{139}\)

Other interviewees noted that coordination has improved recently, particularly with the recent amalgamation of CIDA and DFAIT. As one DFATD employee said, “historically there’s been a divide between development and foreign affairs. I think it’s gotten better, and the decision with the amalgamation was made to try to bring everybody even closer together.”\(^{140}\) Another stated “now after the amalgamation we’re going to be consulting with our foreign affairs and trade colleagues more than we ever have.”\(^{141}\)

In sum, much of the evidence suggests that meaningful coordination and collaboration between departments is not taking place. For the most part, departments operate autonomously and continue to pursue their objectives without taking into consideration the work of other departments. While some evidence suggests that Canada’s engagement in Colombia has been better coordinated than in Honduras, the differences observed may be due to closer collaboration amongst embassy officials as opposed to officials in Ottawa. Nevertheless, some interviewees noted that coordination in Ottawa is likely to improve due to the amalgamation of CIDA and DFAIT.

### 4.2 The Role of Development

With regards to the second research question, the findings suggest that other objectives and interests play a more prominent role in shaping Canadian policy than

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\(^{139}\) Interview with DFATD official, March 2014.

\(^{140}\) Interview with DFATD official, February 2014.

\(^{141}\) Interview with DFATD official, January 2014.
development. When asked why the government decided to push engagement in the Americas
as an important policy objective, the following reasons were provided by interviewees:

- Canada has many ties to the Americas. They are our neighbours.
- Many Canadians travel to the Americas, both as tourists and on business.
- Around 1 million Canadians are of Latin American descent.
- Latin America and the Caribbean is a relatively stable region.
- The region has experienced fairly solid economic growth.
- There are many business opportunities for Canadians in the region.
- There are many security challenges, especially in Central America. It is in Canada’s
  interest to address these. They impact Canadians in two ways: As visitors to the region,
  and through transnational organized crime.
- Trade is a cornerstone of this government’s foreign policy. The region offered many
  opportunities for free trade agreements and foreign investment promotion and
  protection agreements.
- Engaging in the region has a positive impact on Canada’s relationship with the U.S.142

Notably, none of the reasons given suggests that development considerations played any role
in Canada’s decision to increase engagement in the Americas.

This is reflected in the Americas Strategy, where very little mention is made of
development amongst the stated goals. Under the goal of increasing mutual economic
opportunity, “advancing sustainable economic growth” is mentioned as an objective.
However, poverty reduction is never referenced. As one interviewee stated, “the prosperity
agenda of the Americas Strategy is pretty clear, it’s about Canadian prosperity, it’s not
necessary about our developing country partners’ prosperity.”143

I asked interviewees how the former CIDA’s countries of focus are chosen, to get a
sense of the primary motivations that drive the decision. Interviewees noted that they could
not be certain of the criteria used to select the countries because it is a cabinet decision, and
therefore protected by cabinet confidence. However, the criteria they are aware of include:

142 Interview with DFATD officials, January 2014.
143 Interview with DFATD official, January 2014.
- The country’s ability to use aid effectively
- The country’s political relevance to Canada
- The country’s levels of poverty
- The significance of Canada as a donor in comparison with other donors working in the country

These criteria are similar to those mentioned on the DFATD website, which states that “countries were chosen based on their real needs, their capacity to benefit from aid, and their alignment with Canadian foreign policy priorities.”\(^{144}\) This suggests that this policy decision is driven in part by development-related factors, and in part by other foreign policy considerations.

However, the shift that has taken place in CIDA’s countries of focus list away from Africa and towards wealthier countries in Latin America suggests that political and foreign policy considerations are playing a more prominent role. At the beginning of the 21\(^{st}\) century, Western donors committed to focus their aid on Africa, the continent where needs are the greatest. As such, Prime Minister Jean Chrétien designated Africa as a priority for Canadian foreign aid. Under the government of Paul Martin, CIDA took steps to concentrate aid on a smaller number of countries. The government identified a list of 25 “development partner” countries that would receive 75 percent of Canadian bilateral development assistance. The majority of the list was made up of African countries – 14 in total. Four countries in the Americas were included on the list. These were Bolivia, Honduras, Nicaragua and Guyana.\(^{145}\) Under Stephen Harper, CIDA announced a new list of 20 countries of concentration in 2009, which would receive 80 percent of Canada’s bilateral official development assistance. This list included just 7 African countries, having dropped

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some of the continent’s poorest states, and 6 from the Americas, where Peru and Colombia were added and the whole Caribbean region was included rather than just Guyana. The list was updated in June 2014 to include 25 countries of focus that will receive 90 percent of Canada’s ODA.

The inclusion of Peru and Colombia in the 2009 list, both middle-income countries with which Canada has signed free trade agreements, raised controversy within the development community and was seen as a shift away from a focus on poverty reduction and towards an emphasis on Canadian commercial interests. Nevertheless, this apparent shift has not been directly reflected in actual disbursements of aid. Latin America has not received relatively more aid, and Africa has not received relatively less aid. Furthermore, as one participant noted, programs are still maintained in countries that are not on the ‘countries of focus’ list. However, the list is still a very important symbolic reflection of the government’s changing priorities.

Changes in the way in which aid is justified also suggest that political factors are playing a greater role in determining where aid is distributed. An internal analysis of Canada’s bilateral aid programs, produced by CIDA and obtained by The Globe and Mail, suggests that commercial interests have become a key consideration in determining the distribution of Canadian aid. For most countries, the “bottom line” is either redacted or references Canadian commercial interests to justify continuing or increasing development

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148 Ibid.
149 Interview with DFATD official, February 2014.
assistance, and makes no reference to development needs. For example, the “bottom line” for Honduras states “given Canadian commercial interests in Honduras and its position in a priority region, it is recommended that Canada maintain its development program in Honduras.” Colombia’s bottom line is completely blanked out.

Beyond commercial interests, the importance of other political considerations in the distribution of aid was also highlighted by interviewees discussing the selection of Honduras as a country of focus as opposed to other countries in the region. As one interviewee explained, “you’d probably have to look at political reasons about why, between Honduras and Nicaragua, Honduras ended up getting chosen. Just consider who [Nicaragua’s Sandinista President Daniel] Ortega is and what his values are. If you think about it a little bit, you’ll figure it out.”151 Another interviewee stated “I personally would have chosen Nicaragua instead of Honduras… because of the results of the programs and the level of commitment. In the last 10 years I’ve had the opportunity to work with Honduran and Nicaraguan partners and it seems to me that Nicaraguans are more committed to their own development. And the levels of poverty are the same.”152 This suggests that Honduras was chosen over Nicaragua due to political considerations rather than development outcomes. Ortega, a former Marxist-Leninist who led Nicaragua from 1979 to 1990 before gaining power again in 2007, has been responsible for leftist reforms across Nicaragua, including land reform, wealth distribution and nationalization. One could therefore, perhaps, infer that Canada’s Conservative government would be reluctant to provide support to his socialist government.

151 Interview with DFATD official, January 2014.
152 Interview with DFATD official, January 2014.
I also asked participants how CIDA’s objectives within a country are determined.

The factors mentioned include:

- CIDA’s thematic priorities (food security, children and youth, and sustainable economic growth)
- The priorities of the country in which they are working
- What other donors are doing in the country
- CIDA’s historical programming in the country
- Canadian political interests in the country

Again, these considerations suggest that a mix of motivations determine the direction of CIDA’s programming within a country. However, according to one interviewee, “Canadian political interests in the past have played less of a prominent role and they seem to be playing a more prominent role recently. We’re about to embark on another strategy session and I would say it’s playing a much more prominent role this time around than it did last time.”

The importance of political interests in shaping CIDA’s programming was also highlighted by a participant discussing his/her experience in preparing a country strategy. (S)he stated, “in the last review, I think there was an unstated request. We weren’t explicitly told, but we were given a very strong indication that a strategy that did not include working on sustainable economic growth would probably not fly. Of course, that is related to free trade.”

Public statements by government officials and policy documents released by DFATD also suggest that foreign aid is being used to support Canadian political and economic interests. The government has increasingly emphasized the need for Canadian foreign aid to benefit Canadians. Julian Fantino, while Minister of International Cooperation, stated that “we have a duty and a responsibility to ensure that Canadian interests are promoted” and that

153 Interview with DFATD official, January 2014.
154 Interview with DFATD official, January 2014.
he finds it “very strange that people would not expect Canadian investments to also promote Canadian values, Canadian business, the Canadian economy, benefits for Canada.”  The current Minister of International Development, Christian Paradis, has also stressed that development, as part of Canadian foreign policy, should contribute to Canadian prosperity. In a speech entitled “Development as an Integral Part of Canadian Foreign and Trade Policy,” he stated, “investments in development contribute to Canada's long-term security and unlock the economic potential of the developing world by building future markets for Canadian trade and investment.”

The Global Markets Action Plan, the only policy paper released by DFATD since the merger, presents economic diplomacy as the government’s overarching foreign policy goal and will “ensure that all of the Government of Canada’s diplomatic assets are harnessed to support the pursuit of commercial success by Canadian companies and investors.” The only mention of foreign aid is the need to “leverage development programming to advance Canada’s trade interests.” No reference is made to development or poverty reduction. Minister Paradis stated that the Global Markets Action Plan, “based on the concept of economic diplomacy, points up the need to coordinate efforts made in matters of trade, diplomacy and development, as each of these contributes to Canadian prosperity… This plan will focus on government services and resources in order to maximize the success of Canadian trade interests in key foreign markets.”

In sum, political and economic objectives play a more prominent role than development in shaping the Government of Canada’s engagement in the Americas, and specifically in Colombia and Honduras. Interviewees did not list development as a reason for Canada’s engagement in the Americas, and very little mention is made of development in the Americas Strategy. The shift in the list of CIDA’s countries of focus away from Africa and towards wealthier countries in Latin America also suggests that political and commercial interests are playing a greater role than development considerations in the distribution of Canadian aid. These same interests have affected CIDA’s objectives within countries in certain cases. Speeches by government officials and policy documents have further highlighted the importance of political and commercial objectives in Canada’s foreign policy.

4.3 Why Policy Coherence for Development is Lacking

Through the literature review, three key elements were identified as necessary for PCD: mechanisms to facilitate inter-departmental coordination; clear objectives for the government as a whole; and commitment by the political leadership to development and PCD. An examination of the presence or absence of these three factors in the Canadian case sheds light on why PCD is lacking.

First, the government has not implemented effective mechanisms to facilitate inter-departmental coordination. The findings from this research suggest that inter-departmental consultations do not have a major impact on policy. Meaningful efforts to create synergies and eliminate incompatibilities between policies are not occurring. Therefore, policy coherence has not been achieved.
Second, while clear objectives for the government as a whole have been articulated, development does not feature prominently amongst them. The Americas Strategy lays out three goals for the government’s engagement in the region, none of which mention poverty reduction. Third, and related to the last point, the political leadership has not expressed commitment to development or PCD. On the contrary, government officials and policy documents have increasingly emphasized commitment to economic objectives, stressing the need for development assistance to support Canadian commercial interests. The government has not shown any indication that development is a priority. This suggests that any policy coherence that there is will not be for development, but rather for Canadian commercial interests.

5. Conclusion

In principle, policy coherence for development makes sense – using non-aid policies to support development objectives has the potential to create significant positive impacts for developing countries and their citizens. Nevertheless, scholars remain divided about the Canadian government’s use of the policy coherence, with most arguing that increased coherence has not benefitted development. This paper thus examined the case of Canada’s foreign policy in Latin America, and Honduras and Colombia specifically, to investigate the extent to which the Canadian government has pursued coherent policies, the extent to which development has been a primary objective of the government, and why.

The findings indicate that coordination between departments remains weak. As Ashoff, Keijzer, McLean Hilker, Klugkist and Genee, and other authors who have
contributed to the international literature on PCD have suggested, a primary reason for this is that the government has not implemented meaningful mechanisms to promote inter-departmental coordination. Nevertheless, some interviewees noted that with the merger of CIDA and DFAIT, coordination is likely to improve. We may therefore see more policy coherence in the future.

The findings also indicate that development has not been the primary objective of the Canadian government in Latin America. In fact, development was not even listed as a reason for engaging in Latin America, and the Americas Strategy makes very little mention of development amongst its stated goals. Rather, the findings suggest that political and commercial interests are the driving forces behind Canada’s engagement, and are playing an increasingly prominent role in the allocation of aid, as well as in the determination of development objectives and policies within recipient countries.

These findings confirm what much of the Canadian literature on PCD and motivations for aid has suggested. First, as Pratt, Brown, den Heyer, McGill, and Blackwood and Stewart have asserted, the Canadian government’s instances of policy coherence tend to result in the subordination of development goals to other foreign policy objectives. Second, as Pratt, Swiss and Brown have argued, political and economic self-interest have been important motivators for Canadian aid. As the international literature on PCD suggests, this is largely because the political leadership has not made commitments to development or PCD, as is reflected in the government’s stated objectives for its engagement in Latin America, none of which mentions poverty reduction.

In short, it appears that the Canadian government is not pursuing policy coherence for development. Not only is effective coordination between departments lacking, but
instances of policy coherence have not been for development – they have largely and increasingly been for Canadian commercial interests. In order to make greater strides towards development objectives, the political leadership would have to make poverty reduction and development a top priority. This commitment would need to be reflected in objectives laid out for the government as a whole. Finally, methods of inter-departmental cooperation would have to be developed so that meaningful synergies could be created between Canada’s aid and non-aid policies, such as economic, security and migration policies, for example. Utilizing these policy areas to support Canada’s development efforts would greatly strengthen Canada’s contribution to poverty reduction.
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