



*THE GROUP OF 78*  
*LE GROUPE DES 78*

# **Canada and the Developing World: Meeting our Responsibilities**

**Group of 78 Annual Policy Conference 2003**

## **Report**

**September 19 - 21, 2003**

**Econiche House: 32 River Road, Cantley, Quebec J8Y 3A1**

**Conference Chair: Ross Francis.**

**Rapporteurs: Geoffrey Pearson, Tim Creery, Arch MacKenzie.**

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## ACKNOWLEDGEMENTS

Our thanks must go first to the speakers, panelists, and resource people at the discussion groups who freely gave their time and effort to making the Conference a success.

A special word of thanks goes to Ross Francis, who chaired the preparatory committee for the conference, and the conference itself.

The Group is most grateful to all those who helped to organize and run the conference, which this year drew 77 people, of whom 60 were members, to Econiche Lodge. Particular thanks go to:

*Conference Coordinator:* Working with the chair and preparatory committee, conference coordinator Mary Edwards did a fine job of handling the administrative side.

*Members of the preparatory committee:* Ross Francis (chair), Joan Broughton, Tim Creery, Mary Edwards, Dwight Fulford, John Graham, Arch MacKenzie, Peggy Mason, Leslie McWhinnie, Peter Meincke, Geoffrey Pearson, Clyde Sanger, and Penny Sanger.

*Conference Rapporteurs:* Once again we were pleased to welcome graduate students from the Norman Paterson School of International Affairs at Carleton University as 'working guests' at the Conference: Priya Sarin and Alexa Wilson (both law students as well at University of Ottawa and Alexa a second-time volunteer) and Patrick Wray. Members Tim Creery, Arch MacKenzie and Clyde Sanger, as well as Brandon Gallant (student G78 member) and Petya Kirilova (intern with Canadian Voice of Women) also took on rapporteur duties. Together their work forms the basis of this report.

*Moderators of panels and discussion groups:* Dwight Fulford, Ross Francis, Steve Mason, Leslie McWhinnie, Peter Meincke, Geoffrey Pearson, and Penny Sanger.

*Editors:* Tim Creery and Arch MacKenzie organized the rapporteur group and were, with Geoffrey Pearson, editors of this report. Pierre Joncas edited the French text and Mary Edwards was production editor.

*Translation:* Evelyn Dumas and Denis Bastien

*Financial Contributions:* While members pay their own way to the Conference and participants in the program donate their services, the Conference would not be possible without financial support for organization and administration. This year's gathering was made possible by the continuing generous support of the John Holmes Fund, administered by the Canadian Centre for Foreign Policy Development located in the Department of Foreign Affairs and International Trade, and by important grants from the International Development Research Centre, The Canadian Peacebuilding Coordinating Committee, and the Simons Foundation.

## **Peggy Mason**

Chair of the Group of 78, 2002 - 2004

## **INTRODUCTION: THEMES AND SPEAKERS**

### *Themes*

This year, the Group of 78 annual policy conference concentrated on the theme of Canada and the Developing World: Meeting our Responsibilities. This followed the themes of the two previous years, stressing the role of the United Nations in dealing with global stability in the wake of Sept. 11, 2001.

Canadians have traditionally thought of themselves as particularly generous to the world's poorest compared with other developed countries. But the facts say otherwise.

Canada ranks fourth from the bottom of 21 rich nations in a new index produced by the Centre for Global Development--a ranking based on six development-related policies. These were trade, aid, the environment, migration, investment and peacekeeping.

Canada scored in the top half only in migration, due to relatively generous refugee policies, but Canada ranked sixth, fifth and fourth from the bottom in the categories of aid, peacekeeping and trade--despite claiming to have invented peacekeeping.

In addition to the main conference theme, a debate was held on the policy Canada should adopt on participation in the U.S. Ballistic Missile Defence Program.

### *Speakers*

#### **Opening Address**

**Hon. Flora MacDonald** has distinguished herself in the many posts she has held in public life, and through her many, and continuing, voluntary activities. Ms. MacDonald was member of Parliament for Kingston and the Islands for 16 years and held three Cabinet positions: Secretary of State for External Affairs, Minister of Employment and Immigration, and Minister of Communications. Ms. MacDonald has made a continuing

contribution to numerous Canadian and international organizations concerned with issues of peace and security, human rights and social development. She is currently President of the World Federalists of Canada, program advisor to CARE Canada, Chair of Partnership Africa Canada, Chair of Shastri Indo-Canada Advisory Council, and Chair of Future Generations.

## **Panels**

### *Canada's Development Assistance Program: Past and Future*

**George W. Shaw** is Director General, Communications Branch, Canadian International Development Agency. He has held this position since September 2001 and has participated in numerous missions to developing countries, especially in Africa. Previously, he worked in a variety of communications capacities for Agriculture and Agri-Food Canada, including as Director General from 1997-2001.

His experience in international affairs also benefits from many years work in international trade and marketing, volunteer work with an Ottawa-based development NGO and a short stint as advisor in 1987 in Hyderabad, India.

Mr. Shaw has a Bachelor of Journalism degree from Carleton University.

**Nancy Gordon** is the Senior Vice-President at CARE Canada. From April 1993, when she began working at CARE, she has held various positions including Director of Communications, and Marketing Unit Leader. From 1985 until its closure in 1992 she was the Director of Public Programmes at the Canadian Institute for International Peace and Security (CIIPS). Ms. Gordon was educated at Queen's University and joined the Department of External Affairs as a foreign service officer in 1963. She taught political science at Brandon University, and served as Executive Director and Information Officer with the United Nations Association in Canada. In 2002, she was elected National President of the United Nations Association in Canada.

### *Canada and the World Trade Organization: A Development Agenda*

**John Curtis** is Senior Policy Advisor and Coordinator, Trade and Economic Policy, and Director of Trade and Economic Analysis, Foreign Affairs and International Trade Canada. As the department's de facto chief economist, he provides international trade and economic policy advice and manages trade and economic analysis and research within the department. Dr. Curtis' research interests include all aspects of international trade, including the relationship of multilateral trade arrangements such as the General Agreement on Tariffs and Trade (GATT) and the World Trade Organization (WTO) to trading arrangements in Asia, Europe and Latin America. He played a major role in the development of the Asia Pacific Economic Cooperation (APEC) forum over the past decade, serving as the Chair of the Economic Committee for its first four years (1994-

1998). Prior to that, he participated in the Canada-U.S. Free Trade negotiations, was the federal government's first coordinator of regulatory reform at the Treasury Board, held various positions in the Department of Consumer and Corporate Affairs, and served in the economic policy secretariat of the Privy Council Office. He completed his B.A. degree at the University of British Columbia and his Doctorate in Economics at Harvard.

**Ann Weston** is Vice-President and Research Coordinator for The North-South Institute. Her research has focused on the World Trade Organisation and its implications for Canada and developing countries, a theme on which she has published widely. She was on the Canadian delegation to the Fourth WTO Ministerial Conference in Doha. Her current research interests include trade and labour mobility issues. She has participated in the delivery, and undertaken evaluations, of trade-related technical assistance programs, most recently co-authoring an evaluation of the Joint Integrated Technical Assistance Program operated by the International Trade Centre, UNCTAD and the WTO in eight African countries. Before joining the Institute Ms. Weston worked as Senior Economics Officer in The Economic Affairs Division of the Commonwealth Secretariat and as a Research Officer for the Overseas Development Institute (ODI) in London. She received her degrees in economics at the Universities of Sussex and London.

*Conflict Resolution and Peacebuilding under a Pax Americana: What should Canada do?*

**Peggy Mason**, chair of the Group of 78, has a professional background combining diplomacy, research, policy development and training in the field of international peace and security. Canadian Ambassador for Disarmament to the UN from 1989 through 1994, she has since been an advisor to the Canadian Foreign Ministry on the control of small arms, chaired the UN 2001 Group of Governmental Experts Study on small arms regulation and was a member of the Canadian delegation to the 2001 UN Conference on the Illicit Trade in Small Arms and Light Weapons in all its Aspects. Since 1996 she has been an external faculty member of the Pearson Peacekeeping Centre and she became a senior fellow at Carleton's Norman Paterson School of International Affairs in November 2002. In September 2003 she was inaugurated into the University of Ottawa Common Law Honour Society.

**Douglas A. Fraser** ended 40 years of military service in 1993, retiring as a colonel to become a political officer in the UN Department of Disarmament Affairs. His final military appointment, following command of the second battalion of the Royal Canadian Regiment, was military advisor to the permanent Canadian mission at the UN, and a senior member of the Canadian delegation to the UN first committee, responsible for arms control and disarmament. From 1996 to 2000 he was executive director of the then Canadian Council for International Peace and Security. He is an active external faculty member of the Pearson Peacekeeping Centre, and during the period January-March 2003 he was Chief of Office for the United Nations Monitoring, Verification and Inspection Commission in Northern Iraq.

## **Discussion Groups**

### *Food Security and Agricultural Development: Ending Developed Country Subsidies*

**Michael Bassett** is the Program Officer-Trade, for the Canadian Council for International Co-operation (CCIC). He recently presented a paper *Aid of Target: The Reality of Trade-Related Capacity Building* as part of a Reality of Aid Network Reality Check in Cancun, Mexico held parallel to the WTO's 5th Ministerial Conference.

He has previously worked for British Columbia as a research analyst in the ministry for Children and Family Development. Before that, he worked as a research officer at the Inter-American Development Bank in Washington D.C. His academic background is a Master's Degree in Political Economy from Carleton University, focusing on the relationship between civil society organizations and governments in international trade negotiations.

### *Health Issues in the Third World: AIDS, Malaria and TB*

**Janet Hatcher Roberts** is executive director, Canadian Society for International Health and Technical Representative, for the Pan American Health Organization in Canada. She has extensive experience in the areas of health research and policy development. A registered nurse, she has an anthropology degree from Trent University and a master's degree in community health and epidemiology from Queen's University, plus certificates in occupational health and safety.

In addition to her duties as executive director of CSIH -- a position held since 1997 -- she is also co-director of the WHO Collaborating Centre for Health Technology Assessment at the University of Ottawa, an assistant professor, Faculty of Medicine, University of Ottawa, and lecturer at Carleton University in health policy and international health and development. She is a board member with Action Canada for Population and Development and a former board member with the Centre for Excellence in Women's Health (Montreal), and DES Action Canada.

### *The Role of NGOs*

**Barbara Shenstone** has worked in a variety of positions in the field of emergency humanitarian assistance and post-conflict reconstruction. She worked from 1994 to 2000 as program coordinator for Peacebuilding at CARE Canada, a position that took her to crisis zones in the Balkans, the Horn of Africa, the Middle East, and the Far East. During the Kosovo crisis of 1999, she was director of CARE emergency programs in Albania. Most recently Barbara has been in Jordan and Iraq with CARE, where she has held the position of policy advisor in the team CARE assembled to respond to the Iraq crisis. She returned from Baghdad at the end of May.

Last year Barbara spent six months in Afghanistan for the humanitarian unit of CIDA, providing information and policy advice for CIDA's \$100 million aid programme there.

She holds an M.A in International Affairs from Carleton University and a B.A. from the University of Toronto.

### **Debate on possible Canadian participation in the U.S. Ballistic Missile Defence System**

**George Lindsey** has served in the Canadian Department of National Defence, working in operational research as an artillery officer (in World War Two), in Air Defence Command, in SACLANT Antisubmarine Warfare Research Center in Italy, and in NDHQ on ballistic missile defence and as chief of the Operational Research and Analysis Establishment for 20 years.

For the last 16 years he has been working and publishing papers on strategic studies, the history of Canadian contributions to science in World War Two, verification of arms control, and ballistic missile defence. He is currently the chairman of a group of the Canadian Institute of International Affairs studying problems of North American security. Lindsey obtained a PhD in nuclear physics from Cambridge University, and is an officer of the Order of Canada.

**Senator Douglas Roche** A distinguished author, parliamentarian and diplomat, Douglas Roche is an internationally recognized expert on nuclear disarmament and arms control issues. Mr. Roche was elected to the House of Commons as the Progressive Conservative Member of Parliament for Edmonton-Strathcona four times from 1972 to 1984, where he gained national and international attention for his work in the areas of development and disarmament. After retiring from Parliament, he served for five years (1984-89) as Canada's Ambassador for Disarmament. During his tenure he was elected Chairman of the United Nations Disarmament Committee.

In 1989, he was appointed Visiting Professor at the University of Alberta, where he teaches "War or Peace in the 21st Century?" He was named chairman of the Canadian Committee for the Fiftieth Anniversary of the United Nations in 1995. In addition to lecturing, he is also President of Global Security Consultants, which specializes in monitoring global security trends, Chairman of Canadian Pugwash; and, Former Special Advisor to the Holy See's delegation to the U.N. General Assembly.

**Ann Denholm Crosby** is an Associate Professor in the Department of Political Science at York University. She obtained her doctorate in sociology from McMaster University in 1993, has a master's degree in English literature from McGill and a B.A from the University of British Columbia in 1964 in anthropology. She has published extensively on defence policy and security issues, in books, journals and mass media. She has also served as a consultant on numerous defence policy reviews for the Department of National Defence among others on such issues as defence policy update and the Canadian role in the U.S. missile defence policy.



## **CONCLUSIONS AND PROPOSALS**

The following conclusions and recommendations were adopted by the Conference plenary session Sunday September 21, 2003

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### **Increased Funding to CIDA**

Bearing in mind Canada's commitment to the Millennium Development goals, we recommend that the government of Canada's plan to increase funding to CIDA from the present \$2 billion per annum to \$4 billion by 2010 be revised upward to reach \$6 billion a year by 2010.

This would be achieved by doubling the proposed increase to CIDA to 16 per cent from eight per cent.

The internationally-agreed target for foreign aid has been 0.7 per cent of the gross domestic product for many years. This motion works toward that goal.

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### **Increased commitment of CIDA funding for health care training and programmes**

Recognizing the importance of the Millennium Development goals and that one of the priorities of the Canadian International Development Agency (CIDA) is the provision of primary health care and that 2003 has been designated the United Nations International Year for Fresh Water as a human right, we urge CIDA to increase the breadth and coherence of its health care programs to make them truly supportive of sustainable development.

To that end, we urge CIDA to increase its support for the training of health care professionals in its partner countries; to carry through without delay the recommendation of the government's International Policy Framework Task Force in increasing co-ordination with other departments, specifically Health Canada and the International Development Research Centre; and in its preventive health care program to focus upon those diseases that place the greatest burden, in mortality and morbidity, on the greatest number of people, specifically malnutrition and HIV/AIDS.

Noting that a Team Canada mission to China included a representative of the Canadian tobacco industry and that the world-wide tobacco industry has greatly increased its sales campaigning through the developing countries, we recommend that CIDA recruit without delay a specialist on the risks of lung cancer and other diseases from smoking, in order to inform our partner countries of the governmental experience in Canada in combating such campaigns.

Noting with appreciation that the government of Canada has shown commitment to the provision of generic affordable drugs to treat conditions such as HIV/AIDS, we urge the government to eliminate the patent protection laws that currently prevent Canadian generic drug companies from marketing appropriate pharmaceuticals to low-income countries.

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### **Additional CIDA funding for special reconstruction measures**

That additional funds be made available to CIDA when special measures such as reconstruction in Afghanistan and Iraq are taken so that CIDA's budget for its chosen areas of spending are not affected.

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### **Promotion of 'Tobin tax' to increase resources for foreign aid.**

The time is opportune for a renewed attempt to introduce a so-called Tobin tax on international financial transactions to boost resources for foreign aid.

Canada should take the opportunity to promote the idea among OECD nations and as many others as possible.

In 1997, a Tobin tax of 0.1 per cent would have raised \$97 billion (U.S.) world wide. The rate of international currency today has increased so that tax product would be larger today.

The intent of this motion is to provide additional funds that nations could use partly to boost funding to the UN for foreign aid.

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### **Offer of assistance for Iraq through United Nations**

Canada should offer to the U.S., through the United Nations, humanitarian and technical assistance for Iraq.

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### **Reform of food aid programs**

Food aid programs should be reformed so they do not involve subsidized agricultural products but rather support developing countries' local domestic agricultural productions.

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### **Impartiality of humanitarian aid**

The government of Canada should be encouraged to continue to uphold and defend the principles of international humanitarian law as it delivers assistance to countries in conflict.

This would include maintaining clear distinctions between humanitarian aid and military activities, encouraging aid agencies to remain impartial and independent in the delivery of aid and encouraging other countries also to abide by international humanitarian law.

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### **Increased stability of NGO funding**

Recognizing the increasing financial insecurity of NGOs, which are unable to plan ahead, build infrastructure or pay for basic costs, we request that CIDA or Treasury Board re-examine the way NGOs are dealt with a view to funding for longer terms and to cover their core costs.

To encourage the sustainability of the NGO sector, CIDA is requested to consider funding Canadian and regional NGOs so that Canadians can be educated about development issues. This would increase knowledge of and support for key CIDA priorities and raise the NGO donor base.

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### **Public inquiry into deportation of Maher Arar**

Canada is asked to undertake a public inquiry into the deportation to Syria by the United States of Maher Arar, with a view to producing recommendations to protect Canadian citizens in analogous situations.

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### **United Nations rapid reaction capability**

The government of Canada is asked to continue to lead in the further development of a rapid reaction capability in support of United Nations peace support operations or UN-mandated peace support operations.

This leadership would include the initiative to expand the mandate of the Standby High Readiness Brigade (SHIRBRIG) to include participation in chapter VII (Security Council authority to order force if necessary) operations under the charter of the UN.

Further, that the Canadian Forces maintain the capability to participate in SHIRBRIG operations at a robust level and that the government of Canada explores the possibility of further integration of SHIRBRIG with the UN Standby Arrangement System.

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### **Canada should not participate in the U.S. ballistic missile defence (BMD) program**

The September 2003 annual policy conference of the Group of 78, noting the opposition to ballistic missile defence (BMD) expressed by the Group's board of directors in June 2000 during the previous administration in the United States, urges the Canadian government not to participate in the BMD program of the current administration.

The Group of 78 has given priority to policies aimed at arms control and eventual disarmament since its founding in 1980. It believes this is a crucial component of human security in the long run. At the same time, it recognizes that self-defence, peace-keeping and peace-making in accordance with United Nations principles are also necessary.

The G78 opposes Canadian participation in the U.S. BMD program for the following reasons:

- The program includes at a later stage the weaponization of space to enable boost-phase interception. Weaponization of space for whatever purpose by a dominant power, or competing powers, is a danger to all humanity and contrary to what has been an internationally accepted restraint.
- The BMD program of the United States if successful would strengthen the current administration's doctrine providing for pre-emptive attacks.
- This immensely costly program is part of a degree of militarization in the world that is incompatible with sustainable development, a factor particularly noted at this G78 conference devoted to ways of strengthening performance in the field of international development.
- So far, close to sixty years of efforts to develop a counter-weapon system to the ballistic missile have had extremely limited success. A U.S. system would appear to offer no contribution toward the protection of Canada, but rather to make for a more dangerous world for Canadians and all other peoples to live in.
- The development of BMD promotes the arms race, in which nations try to develop military capacity to outdo one another, as indicated by China's arms program.
- By neither helping nor hindering the United States in its BMD program, Canada will not inhibit American actions related to its perception of a ballistic missile

threat owing to rogue states or accidental firings. To the extent that views need to be exchanged between the United States and other countries on BMD issues, including theatre and battlefield missile defence, this can be done most effectively among allies in the North Atlantic Treaty Organization, and among all countries in the collective security and disarmament context of the United Nations.

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## **ANOTHER VIEW OF AFGHANISTAN**

Opening Address by **Hon. Flora MacDonald**

**(The address by the former Secretary of State for External Affairs accompanied a vivid slide presentation of her photographs taken during her last two visits to Afghanistan. Some of these are reproduced below, with permission. Below is a summary of her remarks, based on the rapporteur's summary and speaker's notes.)**



I am delighted with the conference theme. Canada meeting its responsibilities in the developing world is nowhere more important than for states suffering chaos and conflict, like Afghanistan.

Afghanistan is back in the Canadian news media: the presence of Canada's 1,800 troops there as part of, indeed the leading component of, the NATO-led force, helps to give it that exposure. What I want to talk about tonight is the Afghanistan we don't often see or

hear about in the news, the Afghanistan beyond the confines of the major cities of Kabul, Kandahar, Herat, Mazar – the rural areas where 70% of the Afghan population lives.

I first went to Afghanistan in 2001 (when it was still under Taliban rule), again in April, 2002, and in April, 2003. I leave for another visit on Monday. In those years some progress has been made. The Taliban regime has been ousted but militant groups of the Taliban are still around, and the heavily armed militias of the Warlords continue their struggles for dominance throughout much of the country. Four million children are now in school, 35% of whom are girls, and some of the restrictions against women's involvement have been lifted.

The Afghanistan of today, to echo a recent report by Christiane Amanpour of CNN TV, shows little has been done in the way of reconstruction over the past two years, and so far there is more rhetoric to aid flows than reality. For instance, Afghanistan gets \$75 per person per year in foreign aid, while countries such as Rwanda, Bosnia or Kosovo get more than double that amount.

There is a need for \$15 to \$20 billion in reconstruction assistance over the next five years, rather than the \$4 - \$5 billion currently pledged. President Karzai told Amanpour that without that kind of help, the risks are that Afghanistan will go back into the hands of terrorists, into chaos, into despair.

Meantime, she says, opium poppy production has skyrocketed, and this year it has become Afghanistan's biggest export. Most of the world's heroin comes from Afghanistan. Village elders told her that farmers need incentives to produce corn or wheat since they get paid 100 times more for growing poppies and producing drugs. (Street value of this heroin trade in Europe is estimated at \$100 billion, much of which goes to warlords with which they buy arms for their 100,000 troops). Amanpour concludes, “ Two years on, the Afghan people are getting frustrated. And that could backfire on President Karzai, especially during elections scheduled for next summer.”

As you can see, newly-appointed Canadian Ambassador Alexander and Canada's General Leslie have their work cut out for them. The major problems in Afghanistan today stem from the lack of international financial support for rehabilitation of the badly destroyed major infrastructure, including roads, houses and schools. This has a cascading effect: frustrated farmers turn to growing poppies, the proceeds of which go to rival warlords and their armed militias; security is lacking in much of the country; violence escalates in newly 'liberated' Kabul.

It's a pretty bleak picture and it's the one most journalists and T.V. cameras capture. But there is another aspect to Afghanistan – the determination of ordinary Afghan people to rebuild their country and their lives -- that's the one I want to talk about.

Some areas of the capital, Kabul, have been heavily damaged as a result of the ongoing conflict that has characterized the past twenty years. Vast cemeteries where over two million individuals killed in the fighting lie buried dot the landscape. And there is a

continuing threat posed to vast numbers of Afghans by the eight to ten million land mines that lie scattered across the country.



*Damage in Kabul*



*War damage to the former King's palace*

*Destruction extends to rural areas as well*



*Cemetery*



*Painted rocks mark land mines*

Afghanistan has been afflicted by severe drought for the last four years with a resulting lack of crops. Malnutrition has been widespread and farmers were forced to kill off many of their animals to provide food for their families. And even though the rains have returned this year, planting still remains a problem since there are few animals to pull the ploughs. But the work is being done and one now sees green fields where once there was nothing but dust.



*in 2001*

*Parched fields*

*More promising  
crops after rains in  
2003*

During the Taliban era, girls were not allowed to attend public schools and women teachers were not allowed into classrooms. CARE Canada has been addressing this issue: almost 2,000 women teachers in Kabul province have been given upgrading courses and some 8,000 first-time girl students, ages nine to fourteen, have been given accelerated instruction which enables them to take Grades 1, 2, and 3 in one year. The next year they enter Grade 4 along with students their own age.





*Upgrading teaching skills*

*Classes at a girl's school*

Even during the Taliban period CARE continued to run a food distribution program of wheat, lentils, oil and sugar for some 10,000 war widows and their 50,000 children. This program has now been added to with instruction of how to set up kitchen gardens and to market any surplus produce.



*Visiting a food distribution centre for war widows and their families*



*A demonstration kitchen garden*

Rural roads are really horrendous. I never go off those roads for fear of land mines. Little official reconstruction assistance has filtered through to these rural areas. The rebuilding of schools and houses, if it is to come about, must be undertaken by the villagers themselves. On my first visit to Bamian province I saw the devastation that these people had suffered; my second visit provided an insight into just what these determined Afghans were capable of achieving. A destroyed mosque that had served as what loosely might have been called a school had, in the year between my visits, been rebuilt to serve the entire community as a centre for boys and girls, women and men to attend school regularly, as well as special literacy classes.



*Rural roads*



*Classes in a destroyed mosque in 2001*

*Rebuilt into a school and community centre by 2002*

Afghans are hard-working people. They demonstrate that from a very early age. And they're innovative; when a solution isn't easily available, they invent another way of achieving their aims.



*A 'moving van'*



*Youngsters helping with wood gathering*



*Cobblers*



*Vegetable market*



*Open-air banking*



*Reconstruction with locally-made clay brick*



*Making school uniforms for girls*

One of the real threats to a stable future for Afghanistan is that the international community in its involvement with Iraq, the Middle East, and other parts of the world, will forget its stated commitment to help with the reconstruction of Afghanistan's infrastructure and the re-emergence of a stable civil Afghan society. Now is not the time for other countries to turn their backs on Afghanistan – particularly so when the Afghan people themselves are putting such determined efforts and dedication into the rebuilding of their country.

## **PANEL 1: CANADA'S DEVELOPMENT ASSISTANCE PROGRAM: PAST AND FUTURE**

Chair: **Steve Mason**

(Rapporteur's summary of speeches and discussion)

### **INTRODUCTION**

**George Shaw**, director of communications for the Canadian International Development Agency (CIDA), put the country's program in the context of the UN's Millennium Summit in 2000 and the Canadian government's decision to increase development assistance by eight percent a year. This should bring it from a little over \$2 billion this year to \$4 billion in 2010.

**Nancy Gordon**, senior vice-president of CARE Canada and a member of the G78, drew the parallel between an increase in misery in the poorer countries in the 1990s and a decline in aid from the industrialized countries during that period.

Michael Oliver pointed out in discussion that Canada's special aid; of \$250 million to Afghanistan announced in March this year, and of \$100 million in humanitarian assistance and \$200 million in reconstruction assistance to Iraq, would come out of the regular CIDA budget. That is, these amounts combined would equal more than three times the 8-percent annual increase in foreign aid, actually lowering the Canadian budget for the rest of the underdeveloped world.

### **NEW DIRECTIONS IN DEVELOPMENT AID**

**George W. Shaw**

In his opening presentation, Mr. Shaw said Canada, partly in response to the millennium summit, chose four social development priorities: basic education, health and nutrition, HIV/AIDS, and child protection, with gender-equality to be stressed in each area.

As part of the emphasis of the 2001 Monterrey meeting on partnership, Canada had been a leader in the New Partnership for Africa's Development (NEPAD) and introduced the \$500-million Canada Fund for Africa, which is complementary to CIDA programs. In 2002, under the title "Canada Making a Difference in the World", the minister for international cooperation made a new policy statement of which the main principles were: local ownership, donor coordination, untying aid, and focusing Canadian aid.

Local ownership is intended to ensure that the priorities of recipient countries - governments and people - are reflected in Canadian development strategies, rather than the priorities of the donors. Working more closely with other donors (countries and agencies) is essential to avoid duplication. Untying aid is essential to prevent aid being used to boost sales from the donor rather than assistance to the recipient. Finally, CIDA is

focusing aid on a limited number of countries, and on a limited number of sectors where Canada can be most effective.

Mr. Shaw identified the nine focus countries as Bangladesh, Bolivia, Ethiopia, Ghana, Honduras, Mali, Mozambique, Senegal, and Tanzania. He said, "These countries have demonstrated a commitment to governance and poverty reduction as well as an ability to use aid effectively."

Turning to sectors of focus, he said agriculture ranks high, since Canada has experience and expertise, and research indicates the importance of investing in agricultural and rural development. About three-quarters of the world's absolute poor live in rural areas, their lives linked most often to agriculture. As well, agriculture is closely connected to water, health, and nutrition. CIDA's new agricultural policy was launched in April.

Another focus is private sector development, a powerful force for reducing poverty since the sector generates jobs, increases productivity, develops a tax base and creates local suppliers. The new private sector policy in development assistance was launched in July.

Mr. Shaw said "policy coherence", as among different government departments such as CIDA, foreign affairs and trade, and defence (the three Ds -- diplomacy, defence, development), is another essential of effective aid delivery.

Disappointed at the failure of the Cancun conference of the World Trade Organization, Canada recognizes that the developed countries should act on the trade and investment front, as well as offering aid, in order to correct the imbalance between rich and poor countries. "I'm proud to note," he said, "that Canada has, with the exception of a small number of products, removed all quotas and tariffs on imports from Least Developed Countries, 34 of which are in Africa."

Another sector of focus is governance, democracy and protecting and promoting human rights. Mr. Shaw noted that the \$250 million for humanitarian assistance and reconstruction in Afghanistan through 2003 and 2004 was the largest single country pledge ever made by Canada.

"We are contributing to the support of the budget of the Afghan Transitional Administration through the World Bank," Mr. Shaw said. "We lead the donor's group on demining, and we are supporting peace building and security sector reform, including disarmament, demobilization and reintegration, and for policing, constitution, elections preparedness, and justice sector reform. Gender equality is a priority in our reconstruction assistance to Afghanistan." The same coordinated approach was being applied to Canada's aid work in Iraq, to which Canadian aid commitments for humanitarian assistance and reconstruction had mounted to \$300 million by the end of May.

"Obviously, September 11, 2001 changed the way we think of security, and our international relationships," Mr. Shaw said. "But the Canadian view of human security has long been that it is more than the mere absence of violent conflict. It is about

promoting and protecting human rights, including gender equality. It is about freedom from oppression, and freedom from starvation and freedom from the dissolution of real choices that results from absolute poverty.”

Canadian policies have helped tens of thousands of boys and girls to go to school in Africa alone. Support for research and innovation in agriculture improved the health of 15 million Africans. UNICEF credits Canada with saving seven million children around the world from iodine deficiency disorder, which impairs mental ability. Canada has also led in the fight against tuberculosis.

Mr. Shaw said the main challenge in continuing to increase Canada's development aid budget was to persuade Canadians of the benefits, and especially to enlist youth in support of sustainable development and peace building.

## **YES ... BUT**

### **Nancy Gordon**

Nancy Gordon of CARE opened her presentation by noting the comparison that the UNDP's World Development Report made this year between the ambitious goals of the 2002 millennium summit and actual progress.

Amongst their findings, she said, were the following:

- More than a billion people still struggle to survive on less than a dollar a day. Most of them also lack access to basic health services and safe drinking water.
- Globally one child in five does not complete primary school.
- In much of the developing world, the HIV/AIDS pandemic continues to spread unchecked. More than 14 million children lost one or more parents to the disease in 2001, and the number of AIDS orphans is expected to double by 2010.
- Nearly 800 million people, or 15 percent of the world's population, suffer from chronic hunger. Under the Millennium Development Goals, the world community is striving to halve that percentage by 2015. But if current trends continue, South Asia and sub-Saharan Africa will not meet that target.
- Half a million women die in pregnancy or childbirth each year. A woman in sub-Saharan Africa is 100 times more likely to die in pregnancy or childbirth than is a woman in western Europe.

The UNDP report, which measures the progress of nations on key social and economic indicators, showed that 21 countries experienced declines in the 1990s, compared with only four countries in the 1980s. That coincided with the fact that almost all countries of the rich nations' club - the Organization for Economic Cooperation and Development (OECD) – “let their rate of development assistance fall during the 1990s, and that accounts for some of this misery”.

Ms. Gordon welcomed the amendments to aid policy mentioned by Mr. Shaw but noted that “conflicts and wars have impeded development greatly”. “Ineffective and corrupt governments also play a role in militating against development,” she said, “as does the disturbing tendency for the rich to get richer and the poor poorer (within countries).”

The UNDP report had stressed the importance of aid to basic services that poor people need most: primary schools, not universities; rural clinics, not technologically advanced hospitals in big cities.”

Special initiative to support small business and entrepreneurs were also described as key and Ms. Gordon dwelt on a CARE agribusiness program in Africa enabling small farmers, banding together, to move from subsistence to commercial farming by increasing production quality and volume, thereby raising individual earnings. Known as REAP - for Rural Economic and Agribusiness Program - it had enabled participating smallholders in Kenya to increase earnings from an average of U.S. \$250 a year to \$1,100. In Mozambique, 3,500 smallholders produced and marketed over \$1 million of paprika and introduced pigeonpea, onion and potato production for local and export markets, doubling incomes in just two years. REAP type projects could be “scaled up to assist hundreds of thousands of Africans to better their standard of living”.

Commenting on CIDA's new policies, Ms. Gordon said the notion of host country leadership and ownership is a good one as long as spending is monitored and accompanied by guidance, technical assistance, and accounting. The good-governance principle had to be accompanied by participation of all levels of society, not just national, provincial, state or municipal governments. Coordination among donors was also important but should not be allowed to delay projects.

Mr. Shaw, replying to a question about how to pick countries of concentration, said it was a complex issue. He agreed that coordination of donors on site - “at the country level” - was best. Asked about aiding countries where practices such as female mutilation are followed, he cautioned against “telling other people how to live” and said persuasion and subtle approaches, such as supporting women's efforts to change attitudes, were the best approach. He said gradual progress was being made in encouraging civil society to help shape development projects.

He noted, “even when we get to \$4 billion, it's a drop in the bucket.” As noted above, he said the special assistance announced for Afghanistan and Iraq had to be within the CIDA budget. He said he could not give a clear answer to the question of just how much additional funding the Canadian aid program could effectively use if it were forthcoming.

## **PANEL 2: CANADA AND THE WORLD TRADE ORGANIZATION:**

### **A DEVELOPMENT AGENDA**

Chair: **Ross Francis**



## **BREAKDOWN AT CANCUN**

**John M. Curtis** (Senior Policy Advisor and Co-ordinator for Trade and Economic Policy, Department of Foreign Affairs and International Trade)

(From speaker's notes)

The recently-concluded Ministerial meeting of the World Trade Organization (WTO) at Cancun broke down because the developed countries balked on agriculture and the developing nations balked on the so-called Singapore issues (especially investment and competition policy). Reactions to this clear set-back ran the gamut from disappointed finger pointing among participants, to rejoicing by anti-trade liberalization activists, to expressions of determination to pick up the pieces by trade ministers and to comments downplaying the consequences (as in: "this isn't the first world trade Ministerial meeting to fail, the system still functions well", etc).

Against this background of spin and counter-spin concerning the "development agenda" in what is otherwise just another multilateral trade negotiation, I would like to comment on just how central the Doha round is to development and on what Canada might do in shouldering its share of this matter of concern to all of humanity.

### **The origins of the Doha Development Agenda (DDA) of 2001 and how we got to Cancun.**

The Economic Context: Major success stories such as China or India's rapidly-growing middle classes notwithstanding, there have been generally disappointing outcomes on development in the past quarter century--income divergence rather than convergence, whole regions marginalized, even the poster boys of successful globalization subject to debilitating economic and financial crisis as in Taiwan or South Korea.

Uruguay Round Disappointment: There have been unrealized benefits to developing countries featuring less market opening than anticipated, as well as less trade-related structural assistance than had been suggested and which had been agreed to by developing countries in return for intellectual property protection or trade and investment opening.

West as Demandeur: Industrial countries thus had to underwrite a negotiating agenda to get developing countries to sign on--hence the inclusion of the word "development" in practically every paragraph of the Doha Declaration. The political imperative following Sept. 11, 2001 for a successful outcome made the U.S. especially forthcoming early at Doha.

Market Access is Key: At the same time, developing countries (like Brazil) turned decisively in favour of trade and hard-headedly sought market access in things they produce such as agriculture and textiles.

But the West Had Little to Give: So the Doha text was "creatively" ambiguous, setting the stage for ensuing controversies over intellectual property protection and health, the meaning of "trade-related technical assistance" and the meaning of "Uruguay Round implementation"--renegotiation of that Round in the view of some. It meant that some were not sure of what they had signed.

Champions of developing countries have their own agenda including social justice, environment, gender, etc., which cut across the positions of the developed and developing countries but which often get mixed into the development agenda.

The failure at Cancun revealed the divide papered over at Doha in 2001 and the unreality of a 2005 target completion date for the current multilateral trade negotiations.

### **Realities of Trade's Contribution to Development.**

Trade is part of every successful development example; China is the latest example. But there is no certainty about the role of trade policy.

Foreign investment and its role in contributing to development is a more ambiguous factor; policy regarding capital flows is a completely open question:

#### ***On one hand...***

- it is not essential. Korea managed a phenomenal growth record over four decades with negligible foreign direct investment cash inflows and limited external borrowing.
- even where it plays a positive role as in China or Chile, it often tends to follow establishment of good growth rather than instigating it.
- sectors where investment is key to trade, as in services, are part of advanced development stages, not early stages.

#### **On the other hand...**

- there is some evidence of significant positive contribution of foreign capital inflows to countries that are under-capitalized.
- technology transfer often depends on those inflows.

- integration into global division of labour in more complex, fragmented-production modes requires two-way flows of investment.

Thus, the bottom line on trade, investment and development is that there is a massive literature as well as extensive experimentation over the last several decades; notwithstanding these facts, we do not yet fundamentally understand the process of development and specifically we don't have reliable economic policy prescriptions.

There is a real need to emphasize those things that have worked best and to proceed cautiously on those things that have not worked so well:

- For example, market access for developing economies is unambiguously good but. . .
- market discrimination (preferences) are subject to many provisos that can damage prospects for others, raise dead-weight administrative costs for rules of origin, etc. Proliferation of regional trade associations has not helped Africa compared with regional free trade zones in East Asia.
- The implication is to emphasize multilateral trade initiatives and to take a cautious approach to these regional zones -- unfortunately the Cancun outcome leads directly to regional trade association proliferation.

Assistance to build trade-supporting infrastructure--like ports, or roads to ports, or trade-finance and trade-negotiation skills -- is not sufficient but fills in part of the puzzle.

### **Conclusion:**

Development is a long-term process. A trade round is a highly circumscribed short-term activity however protracted it becomes. Notwithstanding the label "Doha Development Agenda," we should not confuse overall development policy with trade negotiations. The trade talks are an integral part of the larger development agenda and in my view an important part.

And those who oppose the WTO talks should be wary of getting what they wish for: the default option of competitive regionalism and one-on-one negotiations with superpowers is not necessarily to be desired. In fact, the results may well be worse for development from the perspective of WTO trade opponents more generally in the longer run. And these results are not necessarily good for Canada in the longer run also.

And in post-statement discussion:

The trade system is important because it tries to impose a certain order--otherwise the rule of the jungle might prevail.

Adam Smith laid down the basis of trade importance. We have to be aware of special interests and try to balance them off against the larger picture. Canada is not as badly off in the influence of special interests as the U.S.

Do we have to wait for a crash to get to a new and better system that promotes the human factor? No.

## **THE ROLE OF THE WTO IN CANADA'S FUTURE RELATIONS WITH DEVELOPING COUNTRIES--LESSONS FROM CANCUN.**

**Ann Weston** (Vice-president and Research Co-ordinator, the North-South Institute)

(From speaker's notes)

After Cancún, the WTO remains critical for Canada's trade with developing countries -- despite the proliferation of Canada's regional and bilateral agreements with developing countries, such as NAFTA, Chile, Costa Rica, and Singapore, and unilateral preferential arrangements governing Canada's trade with many developing countries.

The WTO remains the key forum for promoting those links – especially with countries in Asia. It is also a key forum for managing Canada's links with major developed countries including the U.S. (when bilateral or NAFTA mechanisms fail). Similarly for many developing countries, the WTO remains a key venue for promoting their trade. For these reasons it is essential that Canada work with developing countries and others to improve the WTO's future performance.

### **Before Cancún**

The stage set for Cancún was difficult with several missed deadlines and little progress on key areas, leading to efforts to lower expectations of what might be achieved at the ministerial meeting. Nonetheless some advances were made before Cancún, notably the final decision (albeit belated and imperfect) on Trade Related Intellectual Property rights (or TRIPs) with respect to medicines, allowing developing countries access to generic drugs for public health needs. This was supported by Canada and the government now has to prepare legislative changes to allow the export of generic drugs to countries needing them.

By January 2003, Canada had finally opened its market to imports of goods from least developed countries (LDCs) though this arrangement was not 'bound' in the WTO and there are no special measures yet for imports of services from LDCs, and the LDC initiative so far excludes poultry, dairy and eggs. An impact on trade levels is already visible with a surge in clothing imports from Bangladesh and Cambodia, amongst others.

Canada and other countries increased support for trade-related capacity building (TRCB) and attempted to improve the quality of that support in various ways – for example, CIDA has a project supporting older women in China who have been displaced by trade liberalization.

Canada joined the chorus of countries supporting the Cotton Initiative from four West African exporters – Burkina-Faso, Bénin, Chad, and Mali.

CIDA has played an increasingly constructive role, becoming more engaged in trade policy discussions in Ottawa, albeit with limited resources. (The Minister for International Cooperation and staff were involved in Cancún in the negotiations and in meetings with NGOs and others.) One of their objectives has been to improve understanding of developing country needs – for example, that 10 years is not enough for a country like Mozambique to get up to speed with WTO rules and obligations; or that we should learn from the difficulties experienced by the smaller Commonwealth Caribbean countries when they opened up their markets. The Department of Foreign Affairs and International Trade had also attempted to develop its understanding of developing country concerns through the inclusion of development NGOs like Oxfam and the Canadian Foodgrains Bank in the Sectoral Advisory Group on Agriculture.

Nonetheless, before Cancún, major differences had emerged between Canada and other developed countries on the one hand and several developing countries on the other, over implementation of WTO rules and the new issues.

Despite the title of the Doha Development Agenda, Canada seemed unwilling to move on developing countries' demands for changes that would make the WTO rules more balanced. As work by several analysts has underlined (for example, Michael Finger, formerly of the World Bank) the Uruguay Round agreement on TRIPs and subsequent WTO agreements on basic telecommunications and financial services generated tremendous costs for developing countries and benefits for countries like the U.S. The Doha Development Agenda (DDA) was expected to compensate for that unbalanced outcome, by ensuring greater flexibility for developing countries – preserving and even expanding their scope for policies to develop their economies – as well as providing for trade-related capacity building and technical assistance.

## **What happened at Cancún?**

### **Substance**

The reactions to the draft Ministerial declaration that emerged after four days of negotiations underlined that differences over agriculture and the four 'new' issues\* had become more pronounced, partly resulting from most developed countries' unwillingness to take special and differential treatment seriously. There were some advances proposed in areas of potential importance for LDCs, such as a proposal for countries to give priority to LDC interests in the movement of service providers in the negotiations on

trade in services (known as the movement of natural persons, or mode 4 of the General Agreement on Trade in Services (GATS)).

*\*The four new issues, also known as the Singapore issues, include transparency in government procurement, trade facilitation, competition policy, and investment.*

On agriculture, Canada was probably closer to developing countries on several aspects. In particular both were concerned about the inadequacies of the EU-U.S. language on cutting domestic subsidies. Also both were not happy about the market access opening provisions; some parts of Canadian agriculture (poultry, dairy) were angry about the proposed tariff cutting formula which would lower prices to levels at which they could not compete, while developing countries were also concerned that the tariff cuts (to between 0% and 5%) they were expected to make did not take into account their demands for protection of their own markets.

Canada also supported the cotton initiative proposed by four West African countries. One of CIDA's countries of focus, Mali, is estimated to have lost \$41million in cotton export earnings in 2002 as result of the U.S. / EU cotton subsidies, generating surpluses which have contributed to a 66% fall in prices from 1995 to 2001. The four countries wanted an 'early harvest' – that is, a commitment by the U.S. and EU to phase-out domestic subsidies in three years, during which time their farmers would receive compensation. The draft text, however, suggested that there would be further analysis of the situation facing the market for cotton and synthetics from yarn to clothing; and the relevant institutions would help countries overly dependent on cotton to diversify into other areas. There was no commitment to cut let alone eliminate domestic support for cotton and no reference to compensation. This was seen as an abject failure to address the most blatant contradiction in the world trading system, and one which affects some of the poorest people in the world.

Canada and developing countries were further apart on the four 'new' issues. While being an earlier advocate of all four issues being integrated into the DDA, shortly before Cancún Canada announced its willingness to see them 'unbundled'. The two areas on which some agreement seemed likely were transparency in government procurement and trade facilitation (customs, ports etc). Japan, the EU and Korea amongst others were opposed to any unbundling. Many developing countries, however, were opposed to including any of the four issues because of concerns: about the implications for domestic policies and availability of domestic resources, their analytical capacity to cope with these subjects, the appropriateness of addressing them within the WTO, and the possibility of exposing themselves to sanctions.

There was also concern about process. At Doha in 2001, the fourth ministerial meeting concluded only when ministers agreed that an explicit consensus would be required on the modalities for negotiations before negotiations could begin. The draft text at Cancún, however, dropped any reference to an explicit consensus, while at the same time proposing that negotiations begin on both trade facilitation and transparency in government services, with negotiating modalities for a multilateral investment framework

to be agreed by the same date as that for finalizing the details of liberalization for agriculture and non-agricultural market access.

As many as 90 countries (ACP/African Union/LDCs) strongly objected to this approach, arguing instead for further clarification of the issues. Notwithstanding their firm stance, it is possible that movement on cotton would have led them to compromise. Instead, their reluctance to accept inclusion of any of the four new issues contributed to the Mexican trade minister bringing the Ministerial meeting to an end.

Finally, it is interesting to note the different standards applied during the negotiations. Developing countries were repeatedly told by Northern ministers and international agencies that they would benefit from unilateral changes in trade policy (such as tariff cuts, transparency in government procurement). Yet for themselves, developed countries took a mercantilist approach, arguing that they could not give more on market access or agricultural subsidies unless they received offers of tariff cuts or other concessions from the South.

## **Process**

There are three aspects to note – the transparency of WTO procedures, whether these can cope with the emerging coalitions, and the particular role played by Canada.

On the issue of transparency there were fewer complaints than in the past. Most countries reported having been consulted by the five or six facilitators assisting the Chair of the meeting. Many had also been involved directly or through a multi-country grouping in the smaller so-called 'Green Room' meetings. So there was an awareness of the issues and an opportunity to voice opinions. Nonetheless there was still a question about the informality of these processes, with the absence of minutes meaning that interventions were not recorded. As a result some delegations chose to publish their interventions on their own. And it was difficult to determine how far the draft text prepared by the Chair with WTO assistance reflected inputs from the facilitators let alone from delegates. Another element of frustration resulted from the procedures for ending the ministerial meetings, with some arguing that a compromise had been close.

The role of the Canadian trade minister as facilitator on the new issues was criticized by some countries for two reasons – one was that the same minister had played the same role in Doha. Another was that Canada appeared to have a strong position on some of the four issues (for instance, it had co-sponsored proposals on investment with others like Korea).

More importantly, the Cancún ministerial meeting saw an unprecedented emergence of several country groupings. Coalition formation is not new to the WTO or its predecessor, the General Agreement on Tariffs and Trade (GATT), but the number and significance of some of the groups was. These groups included:

- The G21, which grew and then shrank as countries like El Salvador left after pressure from larger countries not to prejudice bilateral relations. The group includes several large

developing countries (China, India, Brazil, Egypt); its initial membership accounted for 51% of the world's population, 63% of farmers, 20% of agricultural production, 26% of agricultural exports and 17% of agricultural imports and 17% of world exports.

- G10 Group on agriculture – includes mostly developed countries such as Switzerland, Norway, Japan, Korea, Taiwan and one net food importing developing country, Mauritius.
- Alliance on Special Products and Special Safeguards.
- ACP/African Union and LDCs – which included about 90 countries, and
- 29 or so developing countries opposed to the new issues led by India and Malaysia, including eight African countries and a number from CARICOM.

Along with the U.S. and the EU, Canadian officials tended to be quite disparaging of the groups – raising questions about their unity, their understanding of negotiating procedures, their willingness to strike deals, their politicization of the debates, their failure to recognize that the WTO is not like the UN, their special pleading, and their overdependence on NGO views on trade. Others, however, noted the workmanlike nature of their contributions. Nonetheless questions remain about how the WTO procedures cope with such coalitions – whether they provide a constructive solution to the challenges of negotiations among 146 countries, or whether they reduce flexibility and lead to confrontations rather than compromise.

### **Where next?**

While there was a general sense among developing country delegates that no deal was better than a bad deal, several expressed disappointment at the failure of developed countries to be more flexible and to live up to the spirit of the DDA.

- The U.S. signaled its intention to pursue trade negotiations bilaterally and regionally – at least for countries that were not part of the G21 or other 'unwilling' coalitions.
- On Sept. 15, the day after Cancún ended, the U.S. Commerce Secretary announced the creation of a new 'Unfair Trade Practices Team' intended to target 'unfair' trade practices wherever they occur. This signaled a possible return to aggressive unilateralism.
- Some countries had hoped that a successful WTO meeting would facilitate the regional negotiations planned with the EU in October when the regional economic partnership agreements are to be discussed, and with the Free Trade Agreement of the Americas (FTAA) in November.
- Many problems remain unresolved, notably the increasing discrimination against countries outside these preferential, regional trading arrangements, and the problems of competing against U.S./EU subsidized agricultural products.



Canada needs to work together with developing countries to find arguments that will convince the U.S. and EU to come back to the table with more ambitious offers for developing countries and less ambitious demands. If the expectations of the Doha Development Agenda are not met, the growth of the world economy will be limited, as will the prospects for global security. Working together to renew trust in the multilateral trade framework would also help Canada to deepen its commercial relations with developing countries.

### **PANEL 3: CONFLICT RESOLUTION AND PEACEBUILDING UNDER A PAX AMERICANA: WHAT SHOULD CANADA DO?**

**Chair:** Geoffrey Pearson

**Peggy Mason**

(speaker's summary)

Recalling the title of this panel, *Conflict Resolution and Peacebuilding under a Pax Americana: What should Canada do?* The question for me is rather, “What *can* Canada do?”

Since the end of the Cold War, the international community has learned the hard way that helping to bring a country back from conflict to sustainable peace is extraordinarily difficult. Through a lot of trial and error we have learned a number of lessons on how to maximize our chances of getting it right. But it seems clear that at least one country has not learned these lessons or does not think that they apply to its efforts at “nation building”. This leads me to pose the question - if the direction being taken by the one in the lead is wrong, how can helpful fixing help, if the direction is still wrong? If the policy is fundamentally flawed, how can helpful fixing make up for this fundamental flaw?

Back to the key lessons learned: what are they? I will first describe the optimum situation for successful post-conflict peacebuilding and then compare the Afghanistan and Iraq situations to this model.

Ideally, the assistance begins with facilitating the negotiation of a comprehensive peace agreement or blueprint by the parties to the conflict. The international community under UN leadership then helps to implement this plan. The agreement becomes the basis of the mandate from the UN Security Council to an integrated UN peace operation under a civilian head - the Special Representative of the Secretary-General (SRSG) - with political, security, humanitarian and development components. Because all these elements are included in the UN mission under the direction of the SRSG, all are ‘singing from the same song sheet’ (the UN mandate), and all are dedicated to the same end: implementation of the comprehensive peace agreement to achieve a sustainable peace. This means the military mission, for example, is in support of the political end, which is usually the election of a broadly representative government in charge of a functioning state.

Even with the signing of a peace agreement, security on the ground may be unstable at first. Particularly if this insecurity is combined with a dire humanitarian situation, the UN Security Council may authorize a stabilization force to create a secure and stable environment before the multidisciplinary UN mission and its blue helmeted military peacekeepers deploy. Given the difficulty of this type of military mission and the absolute need for a “unified command”, the stabilization force is usually under the command of a lead nation or, more recently, of a regional security organization such as NATO, rather than the UN.

We saw the lead-nation concept in East Timor. The Security Council authorized Australia to lead a coalition of the willing to help stabilize that troubled area and pave the way for an integrated UN mission, including military and police components, to take over the peacebuilding process. This approach reflects one of the most fundamental lessons gleaned from a variety of UN peacekeeping operations in the 1990s - *a certain minimum level of security is a pre-requisite for everything else*. The military thus have a primary role in the first phase of stabilization to separate and disarm previously warring factions. But immediately thereafter the provision of public law and order becomes paramount and, with it, the role of the UN civilian police and other elements of the “judicial chain” - courts, prisons, judges, lawyers.

Sufficient minimum public security is requisite for the work essential for sustainable peace to proceed, from emergency relief (food, water, shelter), to facilitating the return home of refugees and internally displaced persons, and to beginning the reconstruction of both the physical and political institutions necessary for a functioning state. The political dimension is not just a matter of preparing for free and fair elections, but of helping put in place all the necessary underpinnings on which democracy depends, including a constitutional framework, election laws, and other vital institutions of governance and accountability.

A particularly important component of most peace plans is the “DD&R” program for the disarmament, demobilization and reintegration into civilian life of the former fighters. While the military will need to oversee the disarmament phase, the real work will be at the community level in retraining individuals who may know nothing but the gun and in ensuring that there is social and psychological, as well as economic, reintegration.

One of the biggest challenges of all is sustaining the commitment of the international community over the longer term, not just during the media glare of the initial humanitarian crisis. Retraining ex-combatants is futile if there is no economy able to provide jobs for them. And rebuilding shattered economies takes time and money.

Even with the requisite human and financial resources and sustained commitment from the international community, the whole effort is still extremely difficult. After all, the root causes of the conflict may have been generations in development. Spoilers and opportunists - that is, those with a stake in continuing conflict and chaos - will abound. Neighbouring states may actively work to undermine the peace process, as we saw with Charles Taylor's Liberia in relation to Sierra Leone.

So even when the international community plays its best hand, there is no absolute guarantee of success. But we know from Namibia, Cambodia, Mozambique, Guatemala and East Timor, to name a few UN missions, that a sustainable peace can indeed be built with the assistance of the international community.

Contrast the key ingredients for success outlined here with the actual situation in Afghanistan and Iraq, where the U.S.A. has imposed its own view of peacebuilding.

In Afghanistan, the U.S.A. would only allow the deployment of a UN-mandated stabilization force - ISAF - in the capital city of Kabul. They did not want international forces operating in the countryside and possibly interfering with U.S. military efforts to find and neutralize Taliban and Al Qaeda remnants. So most of the country was left in the hands of the warlords (many of whom were working in alliance with U.S. Special Forces), with predictable and disastrous results - growing insecurity that is now threatening Kabul itself. Indeed, the security situation is now so dire that NATO, now leading ISAF, is actively considering whether to expand its mission beyond Kabul (although many consider their plans to be far too little, far too late). And this is the mess that Canadian forces are being asked to take over in mid-February.

In the immediate aftermath of the war and the development of the Bonn Agreement for rebuilding Afghanistan and the deployment of ISAF, there was a window of opportunity to convince rank and file militia members to embrace a new and peaceful future. That window has now almost closed. And the irony is that the U.S. approach has been entirely counterproductive, not only to a sustainable peace in Afghanistan, but to their own military objective of neutralizing the terrorists. The American plan was to have a new Afghani police force and army trained to fill the security vacuum, but this is a process that will take years and, in the meantime, the warlords have filled it.

In Iraq one might have imagined that the U.S.A. would apply the lesson learned by NATO in the Bosnia and Kosovo peace support operations of the fundamental importance of an armed international police component (and other elements of the judiciary) ready to deploy at the earliest opportunity. Instead, the Pentagon actually seemed to believe that once the American-led invasion was accomplished, peace would simply “break out” and they could concentrate on parceling out lucrative contracts in the oil industry to American companies.

We all witness the tragic results of the American approach in Iraq every day on our televisions. The international community is faced with an impossible choice - work with the occupying forces and risk being targeted as collaborators, or abandon Iraq to their none too tender mercies.

This brings me back to my original question: If the direction being set by the leader is fundamentally flawed, can helpful fixing help? Is there any meaningful role for Canada in Iraq, or will we just continue allocating huge amounts of money for development assistance in the hope that some day it might be safe enough there to actually spend some of those funds?

## **Douglas A. Fraser**

### **(rapporteur's summary)**

The term 'Peace Operations' evolved from the document "An Agenda for Peace" written by Boutros Boutros-Ghali as UN Secretary-General in 1992. The term came to be used to represent the full scope of these operations, from preventive diplomacy to peace-building.

There has lately been a growing recognition within the international community of the linkages between the types of peace operations, especially between peacekeeping and peace-building. This linkage was emphasized within the Brahimi Report (2000), which is the 'flagship document' for the future of peace operations. There were few new ideas brought forward within the report, but the combination of packaging the main ideas into a single document under the *imprimatur* of a group of very reputable individuals gave it the credibility that was needed.

The international community is learning from their earlier mistakes in their approach to peace-building, but there are still too many players and not enough coordination between them. In addition, there are other major problems (understaffing, equipment not being sophisticated enough, etc.)

There have also been some improvements regarding funding such as that for 'quick impact projects' – a new, flexible tool for peace operations, allowing short-term objectives to be attempted soon after deployment.

With regards to what Canada can do, Canada must support the international community and help them become better at integrating defence, diplomacy, and development. As it stands, Canadian forces have the needed skills to work within CIMIC (Civil-Military Cooperation) missions and doctrine is currently being developed by the Pearson Peacekeeping Centre. However, there must be stability within a region before effective peace-building can be started.

In Afghanistan, a CIDA officer has been deployed with 1.2 million dollars for local projects. Some of these local projects will be implemented by the 'provincial reconstruction teams' as they are deployed. These teams are already working within 3 provinces, making use of civil-military cooperation teams working with humanitarian, development and human rights organizations.

Civilian organizations do not always want to work with military organizations because, in some cases, their neutrality can be put in jeopardy.

With respect to peace-building, Col. Fraser hopes that the operation in Liberia (starting October 1<sup>st</sup>) will include a coming together of past lessons learned in an area where they can be practiced properly. The United Nations Secretary General's report on Liberia is comprehensive and must be followed. Stability must be paramount within the Liberia mission. Other UN Missions neighbour Liberia and there is a need to coordinate these

missions so as to control many cross-border issues, such as criminals, small arms, drugs, etc. moving between countries.

Canada is not a major player, but it is an important one. Canada must show leadership in the field and in such forums as the United Nations. Canada must avoid the US 'force protection' mentality. The mission is more important than the lives of the individuals within it.

In conclusion, Canada must continue to do what we are already doing and strive to, at a minimum, maintain the same level.

### **Discussion:**

Barbara Shenstone asked whether Canada should just follow along with the United States, or say 'no' when it needs to? Peggy Mason urged Canada to think hard and talk to other nations. Take the example of Iran and its nuclear situation. The British, French and Germans broke with the American approach of confrontation and instead constructively engaged with the Iranians, with the result that Iran has agreed to a much tougher international inspection regime.

Douglas Fraser added that, instead of the current *ad hoc* approach, we need a comprehensive national and international security policy and we must also face the fact that sometimes we will have to say 'no' to the U.S. because we have nothing to contribute to that specific request.

Murray Thompson called for Canada to support a reconsideration of the disarmament program, adopted in 1978 at the first UN Special Session on Disarmament. Peggy Mason commented that the goal of nuclear disarmament not only remains unfulfilled but key elements of the nuclear non-proliferation regime are now under attack. In this regard, Hanna Newcombe urged that we focus not only on warring factions but on the declared nuclear weapons states.

Derek Paul stated that the Pugwash Annual Conference in Halifax, Nova Scotia was unanimously of the view that U.S. 'muscle-flexing' had been happening over many years. He urged Canada to help support efforts to better fund the UN, including through reconsideration of the so-called 'Tobin Tax' on currency speculation.

### **Discussion group 1:**

## **FOOD SECURITY AND AGRICULTURAL DEVELOPMENT: ENDING DEVELOPED COUNTRY SUBSIDIES**

Chair: **Dwight Fulford**

Presenter: **Michael Bassett**

(Rapporteur's summary)

Michael Bassett, Trade Policy Program Officer for the Canadian Council for International Co-operation, outlined the extent of agriculture subsidies in the developed world, their impact on food security in the developing world and policy recommendations aimed to counter subsidy programs. The OECD (Organization for Economic Cooperation and Development) is responsible for 90% of agricultural trade distortions (approx. \$300 billion), mainly involving the EU and U.S. Agricultural subsidy programs have been perpetuated by the EU's Common Agriculture (CAP) reform in June, 2003 and with the recent U.S. farm bill. These subsidies greatly impact local farming communities in developing countries by driving costs below the cost of production, displacing domestic agricultural development and thus endangering food security. Up to 80% of the workforce in least developed countries works in and around agriculture, in comparison to only 4% in the developed world.

The Doha Ministerial Round of the WTO made a commitment to place the needs of the developing world at the heart of the work agenda, including agricultural subsidies. This commitment has largely not been met, which has most recently been exemplified by the failure of developed countries, namely the U.S. and the EU, to address agricultural subsidies at the WTO Ministerial meeting in Cancún, Mexico. Further, in response to the U.S. and EU's resistance to subsidy reforms, various states with similar agricultural interests including China, Brazil, India, South Africa, etc. formed the "Group of 21" representing a coherent and substantial opposition to the EU and U.S., thus changing the very dynamic of the WTO. An agreement was not reached in Cancún, which is viewed as a significant set-back to multilateralism.

Since the U.S. and EU seem unwilling to reduce agricultural subsidies, the Canadian Council for International Cooperation (CCIC) suggests that developing countries must be given the tools to defend their domestic food security. Most significantly this includes using simplified countervailing duties at the equivalent value of developed countries' subsidized agricultural exports. These countervailing duties are tariffs that would be placed on specific agricultural products, which would then protect developing countries' domestic markets against developed countries' subsidized agricultural exports.

Within the framework of the WTO there is currently a Peace Clause, which prevents this type of action against domestic agricultural support, that is, countervailing duties on agricultural goods. This Peace Clause is scheduled to end at the end of December 2003, which would then allow developing countries to impose countervailing duties on agricultural products. The EU is pushing for an extension of the clause and a re-negotiation was in fact part of the Cancun Declaration. Though it looks like the Peace Clause will expire, it may once again rear its head in negotiations in the months before it expires.

## **Questions and Discussion**

Issues were raised on the ability of individual developing countries to implement countervailing duties on powerful countries such as the U.S. and the repercussions of such action. Further, it is acknowledged that organizing a coherent and uniform voice of developing countries for agricultural interests is very complex and difficult to achieve.

It was further suggested that agriculture and food products in general are much too important and critical to be involved in a rules-based regime such as the WTO. Others also acknowledged that food is simply different than other products, as it is vital for survival. Developing countries would be stronger if they were self-sufficient and self-reliant on food production. Others suggested that free trade in agricultural products does result in cheaper food.

It was acknowledged that the main issue related to the agricultural subsidy issue is the EU's Common Agricultural Policy (CAP) and its domestic political backing. Further, domestic support for the EU's CAP program will be gradually reduced with the introduction of new member states within the EU and from stronger international pressure. A reduction in EU subsidies can then result in a reduction in U.S. subsidies.

Questions were raised about the role of the larger Asian countries such as India and China. The Group of 21 was an example of what their role can include, but their influence is uncertain. It was also acknowledged how developing countries such as China and Vietnam are also guilty of dumping agricultural products. Further, the U.S. uses food aid programs to subsidize agricultural revenues and commercialize various food exports in developing countries' markets, which again displaces local agricultural development and thus threatens food security.

The question was also raised of the impact on Canada, and in particular the dairy industry, of eliminating agricultural subsidies. What are the political issues related to Provincial vs. Federal interests and specific issues related to Quebec and nationalism. It is acknowledged that subsidies are regional and product specific. Further, it was also noted that Canada's supply management system is a possible model for the developing countries, as it is not export driven, and thus would support food security in developing countries.

The question was also raised of how the FTAA relates to issues of agricultural subsidies. The U.S. is not interested in negotiating regional agricultural subsidies (a significant agenda for Brazil and other countries), while Brazil is not interested in discussing additional WTO issues, such as investment and government procurement, within a regional context (a significant agenda for the U.S.). Brazil and the U.S. are co-chairing the final FTAA round of negotiations.

## **Discussion Group 2:**

### **HEALTH ISSUES IN THE THIRD WORLD – AIDS, MALARIA, TB**

Chair: **Leslie McWhinnie**

Presenter: **Janet Hatcher-Roberts** (Executive Director, Canadian Society for International Health)

(rapporteur's summary)

## **The Role of Health Systems Strengthening in Health and Development: The Case for Needs-Based Intervention Assessments**

### **Introduction**

The discussion explored a range of topics such as: mortality rates, morbidity rates, opportunities for intervention, distribution of health care expenditure, health research and Canada's role in health and development. In addition, discussions focused on the related issues of tobacco regulation and the sales of generic drugs to African countries. Three overarching themes that were explored in the presentation include: an analysis of mortality and morbidity rates in assessing risk factors, the importance of incorporating a needs-based or evidence-based approach to health-related intervention and the significance of employing a health systems method of intervention as opposed to one that focuses only on more circumscribed notions of health care.

While health issues in the third world present a complex array of issues for policymakers, the group agreed a needs-based approach to intervention holds promise for the establishment of an effective health system.

### **The global disease burden**

The global disease burden was discussed as background regarding health risks. Much information is known about certain causes of death. For instance, 2.7 million people die per year from vaccine-preventable diseases, while 3.5 million die from respiratory diseases. In addition, global mortality rates demonstrate that heart diseases rank as the highest cause of death, while road traffic accidents rank ninth.

Morbidity rates can be combined with mortality rates to provide a more accurate assessment of risk. Morbidity rates account for the years that people are disabled with certain conditions, which are measured in Disability Adjusted Life Years. For example, when reviewing information regarding HIV/AIDS, one notes that while HIV/AIDS ranks fourth in global mortality rates, it ranks much higher in second place for morbidity rates. Since the morbidity rate indicates the number of years people are disabled with a particular illness, it follows that where someone is disabled earlier in life, which is often the case with HIV/AIDS, that ailment will be higher on the morbidity rate scale. Thus, taken together, an assessment of the mortality and morbidity rates for a given ailment provide an important indicator of risk.



It is important to note that while global mortality and morbidity rates point to certain risk factors, the disease burden varies regionally and in accordance with certain systemic factors. For example, while Asia tends to experience higher occurrences of lower respiratory diseases due to issues associated with cooking indoors and air pollution, Africa experiences higher instances of malaria. In addition, malnutrition and certain occupational risks affect different areas of the globe in different ways. All of these risk factors raise significant challenges for any health-related intervention.

### **The importance of needs-based intervention assessments (NBIA)**

Given the range of information available and the complexity of any major health-related intervention, Ms. Hatcher-Roberts argued that evidence-based interventions are key to implementing healthy public policies. An evidence-based intervention requires that health care be based on practical, scientifically sound methods and technologies that are appropriate to the particular target community. Often leaders request that donors provide items such as X-ray machines. However, local health workers may not be able to analyze the results of an X-ray. Therefore, a needs-based intervention assessment should measure the impact of an intervention at the community level and at the national and international policy levels. In discussion it was noted that this analysis might be difficult to undertake in circumstances where there is a weak infrastructure. However, creative approaches to recording information can be undertaken by people who may not have high levels of education. Still, Ms. Hatcher-Roberts noted that the most difficult challenge is ensuring analysis of data and reporting back to the communities about strategies to address their particular needs.

### **Health Systems Approach**

Given the complexity involved in undertaking a needs-based intervention assessment, understanding and addressing the interconnected nature of global health concerns requires a wide approach to health *systems*, as opposed to one that is focused on traditional notions of *health care*. While notions of health care are often confined to issues such as practices of physicians and hospital funding, a health systems approach addresses the broad determinants of health. This integrative approach considers environmental, technological, and cultural factors that undermine the health of people. The need for a health systems approach to strengthening health in development was demonstrated in discussion with the example of Uganda. As AIDS has debilitated many people, those people who often trim bushes and breeding grounds for mosquitoes are no longer able to do so, giving rise to increasing numbers of cases of malaria. Clearly interventions must assess overlapping needs based on evidence that includes environmental factors.

### **Framework for a sustainable health system**

In the final part of the discussion session Ms. Hatcher-Roberts emphasized that any intervention must focus on a variety of determinants, a fair distribution of benefits, and inter-sectoral policy development. She also noted that while a coalition on global health research will be launched this October in Ottawa involving The Canadian International Development Agency (CIDA), the International Development Research Centre (IDRC), Health Canada and a variety of non-governmental organizations, often inter-agency coordination is lacking. In addition, given Canada's policy priorities, a lack of health-related expertise and funding from CIDA is worrisome. Furthermore, Canada's international policies may conflict with one another. For instance, although by 2010 deaths from tobacco use will overtake all other causes of death in China, a recent Team Canada mission to China included both health officials and tobacco farmers.

A number of important questions were raised in discussion, including impediments to selling generic drugs to African countries in order to combat HIV/AIDS

### **Conclusion**

After discussing risk factors, aspects of a needs-based approach to intervention and the importance of health systems, it is clear that healthy public policy requires more than a discussion of health care reform. In addition, needs based assessments and appropriate protocols should be undertaken at all policy levels. While health issues in the third world present a complex array of issues for policymakers, a needs-based approach to intervention holds promise for the establishment of an effective health system.

### **Discussion Group 3:**

#### **THE ROLE OF NGOS**

Chair: **Penny Sanger**

Presenter: **Barbara Shenstone** (Middle East Policy Advisor, CARE Canada)

(Rapporteur's summary)

Penny Sanger outlined the breadth of experience that Barbara Shenstone has acquired through humanitarian work with numerous organizations including CIDA in many countries around the world such as Bosnia, Mozambique, Afghanistan and Iraq.

Ms. Shenstone spoke candidly and personally, rather than in association with any organization. She began with a brief look at the NGO sector itself, noting that we live in the best and worst of times for NGOs as there is no shortage of work due to increasing disparities of wealth, poverty, humanitarian efforts to battle AIDS and the constantly growing number of conflict zones.

The characteristics of NGOs have evolved significantly over the years. They have become diverse in size and wealth, ranging from small kitchen table groups to multi-

million dollar organizations like CARE and Oxfam. Secondly, they have become more focused and specialized. We now have experts in many areas, such as children's rights, the technology behind water purification, running of elections, justice programs and training of lawyers. This leads to the third and most important defining factor of today's successful NGOs: they have achieved a level of sophistication and a service that truly adds value.

Ms. Shenstone said the desire to help is not sufficient. NGOs can do a great deal of harm unless they know exactly what they are doing in a particular political and historical context, and have something appropriate to offer. Typically the best contributions from wealthy Western NGOs will be based on knowledge transfer, not just supplying human resources.

To be successful and effective, today's NGOs should follow several guidelines:

1. Try to be innovative.
2. Remember that NGOs are most effective when they are on the margins of events and look for groups who are vulnerable or overlooked by national governments, or look for new areas of concern such as AIDS, land mines, or new ways of doing social work
3. The role of an NGO is NOT to replace governments. Large programs can be developed but this should be done through suggesting ideas to the people within the country.
4. The strength of an NGO comes from its relative smallness, innovation, flexibility, and personal touch with marginal groups. It is the ability to be on the margin of things.

Having looked at the positive aspects of the sector, it is important to understand the environment that NGO's operate in and the many challenges that they face.

Few NGOs deal with only one donor and thus the many relationships involved, such as embassies, other donors, other NGOs, local and foreign governments, organizations like the Red Cross, military, police forces, consultants, UN agencies, and NATO liaisons, render the work process complex. Coordination and common interests are not a guarantee. It is vital to understand the other players in the system.

While the complexity of the system is growing, this is nothing compared to the enormous financial challenges that most organizations face. (Reference: Report *Funding Matters*, Canadian Council on Social Development, by Katherine Scott) Core funding (long term) is no longer a reality. Organizations must rely on the unpredictable streams of income that come in for *projects* (short term in nature). Even office and staff costs are considered wasteful and luxurious. This leads to a great deal of instability, which results in poor decisions, an inability to plan ahead and high turnover. Furthermore, the *project* focus means that there is less ability to modify the design or structure of the program. Someone

else designed it, and the NGOs bid on implementing it. This is the advantage of being on the fringe -- the ability to be flexible and speak out is still possible.

Another challenge is to overcome both the criticism that little is being accomplished and a tendency to become over-bureaucratic by focusing on producing reports instead of the work itself.

To add to the growing list of difficulties, many players are now political. This puts many humanitarian workers in a dangerous situation. It is much more difficult to determine who the neutral parties are. Local military or people within certain regions may not be able to distinguish between the aid giver and the foreign military. This has been exacerbated by the fact that the U.S. military indicated that they expected their NGOs to be right behind them going into Iraq to be "the happy face of the military". NGOs have become part of the strategy. They are a part of the conflict. This makes it difficult to do their work safely.

Take for example the large contractors now involved in Iraq. They are not neutral, but still cannot execute their work without the constant protection of soldiers. In addition, there is greater risk due to "Faith-based NGOs" whose agendas apart from humanitarian aid -- that is, to convert people from Islam to Christianity -- may cause an uproar. Given that American soldiers can barely protect themselves, it is unlikely that they will be able to protect NGOs.

As a final point she noted that recent years have revealed the striking weakness of the United Nations and great loss to the international aid community and NGOs. Although the UN may be criticized for being cumbersome and inefficient, the world would be a jungle with no accountability without it. Furthermore, the UN is able to provide a strong interface between NGOs and local governments. It is able to facilitate things like obtaining passes for duty free humanitarian supplies or access to other parts of a country. The difficult post-war operating environment in Iraq could certainly use their help.

#### Questions:

Michael Oliver asked about the existence and possible resuscitation of Iraqi humanitarian groups. Ms. Shenstone noted that although Saddam Hussein had no tolerance for autonomous groups, they did exist. Groups such as CARE have been there quietly doing work since 1992. Locally, the mosques often provide social services for widows and destitute families. The National Women's Association has conducted vocational training. There is a long tradition of self-organization in Iraq and these groups offer great possibilities for the future.

She also added that many NGOs have left Iraq because it is hard to understand the system, and difficult and dangerous to work within it.

Ann Crosby asked whether it is possible for a western NGO to help reconstruct a country neutrally, especially when the values are so different. Would monetary donations be

better? Ms. Shenstone said that often money, food or medicine would be sufficient. However, value could be added as Iraq considers itself to be modern and wants to have the latest in technology and knowledge. She pointed to the fact that its schools and hospitals are run in a secular fashion. NGOs can in fact facilitate the process of modernization.

The discussion then moved to the difference in the role of international and national NGOs and the level of protection they enjoy. While they are all different, Ms. Shenstone responded that groups like OXFAM or Save the Children are actually structured like a family of national NGOs with the advantage of a more international perspective. They are able to advocate and lobby with more clout, but in function they are or should be looking for the vulnerable people.

In response to a follow-up question posed by Sonia Plourde regarding funding of NGOs, Ms. Shenstone reminded the group that in most developing countries a middle class does not exist to support the local NGOs and that there is no tradition of giving to charitable groups.

## **AN EMERGENCY DEBATE ON POSSIBLE CANADIAN PARTICIPATION**

### **IN THE U.S. BALLISTIC MISSILE DEFENCE SYSTEM**

Chair: **Peter Meincke**

**George Lindsey** (retired senior defence scientist, Department of National Defence)

**Senator Douglas Roche**

**Ann Denholm Crosby** (Associate professor, Department of Political Science, York University)

(Rapporteur's summary from speakers' notes)

**George Lindsey** discussed the material collected and debated by a study group on North American Security that was organized by the National Capital branch of the Canadian Institute of International Affairs. He framed the subject of ballistic missile defence as “a three-act play in which Canada has been an interested spectator”. The first act was the initial American effort to produce an Anti-Ballistic Missile (ABM) system, known as Sentinel and later Safeguard, and comprising early warning satellites equipped to detect exhaust heat from rocket launchers, together with Spartan and Sprint interceptor missiles. Subsequent tracking was done from BMEWS radar sites in Alaska, Greenland and England. SALT 1 reduction of nuclear missiles and the ABM treaty produced a pause.

Act 2 began when President Reagan promoted the Strategic Defence Initiative, with improved technology allowing an interceptor to destroy an approaching ICBM with high

explosive fragments. Other projects involved lasers and space-based interceptors. A later, more limited form of “Star Wars” was GPALS, or Global Protection Against Limited Strikes, designed to defend against unauthorized or accidental launches. GPALS was terminated with the dissolution of the Soviet Union.

Act 3 – the current drama - has been the National Missile Defense (NMD) project to offer protection to “every square inch of US territory” from so-called rogue states or from accidental launches. It has involved U.S. withdrawal from the ABM Treaty and, in its offer of protection to allies, been renamed Ballistic Missile Defense (BMD). It is planned as multi-layered, with weapons able to attack ICBMs in the early and terminal phases of their trajectories, and radar and interceptors may be mounted on ships and aircraft.

Dr Lindsey said the CIIA study, which he chaired, does not agree with the high priority assigned by Washington to meeting a threat of ICBM attack from “rogue states”. It considers much more urgent a threat that could emerge from the use of shorter-range ballistic missiles by certain states against United Nations coalitions of Western and other nations in overseas confrontations. Study members were concerned that “energetic development of highly capable BMD may induce the Americans to deploy weapons in space.” This, he said, “could have undesirable consequences far beyond those related to BMD.”

At the same time, he said, Canada had obtained many military and industrial advantages from cooperating with the United States in the North American Aerospace Defence Command (NORAD), and there was concern that this valuable link could be “weakened or broken” if Canada refuses to cooperate in BMD. He was convinced that the present US administration was likely to embark on acquiring an ABM system on its own if necessary; but, as in Acts 1 and 2, doubts may arise and circumstances may change.

The CIIA study's recommendation was to explain to Washington that Canada would seriously consider a request for any necessary Canadian contribution to a protection of U.S. territory against ICBM attacks, but would prefer to make its contribution to BMD by taking part in “research and development of systems designed primarily for defence against theatre-range ballistic missiles. Improved systems of this sort might be able to engage ICBMs in the early or terminal phases of their trajectories”.

**Senator Douglas Roche** presented a paper entitled “Canada Must Reject Missile Defence”, which he, some days afterwards, delivered as a speech in the Senate. It was time, he said, “for Canada to shine the spotlight on the real issue: American military dominance”. He gave three reasons for rejecting BMD.

First, it will undermine Canada's long-standing policy on the non-weaponization of space.

Second, “it will further integrate Canadian and American military forces and policy without meaningful Canadian input into the substance of those policies”.

Third, “it will make the world, including Canada, not more secure but less secure.”

He enlarged on each of these reasons. He quoted Nobel laureate John Polanyi as calling BMD “a conveyor belt to the weaponization of space” and said Canada “cannot cut BMD up into little pieces and choose which it will be involved in: the system is an integrated one and has to be in order to function effectively.” As for thinking Canadian participation in BMD under NORAD would give this country meaningful leverage in North American security policy, he said it was “a fanciful and dangerous delusion”. The Bush administration had shown over Iraq it would not be constrained by any system of collective security. “When the Bush administration calls for international cooperation, what it really means is subjugation: subjugation of the interests of other states to the will of the United States.”

On the world becoming even less secure, Senator Roche said a BMD system shielding U.S. forces deployed overseas as well as its national territory “will actively contribute to U.S. offensive operations, including pre-emptive invasions such as the recent U.S. action in Iraq.” This could prompt some states, anticipating such an invasion aimed at régime change, to launch ballistic missiles at the United States “in a bid to pre-empt American pre-emption”. He concluded that the Bush administration was rushing, as a political move, to deploy the opening phases of a BMD system before the November 2004 presidential election.

**Ann Crosby** set out to put BMD “in its larger political context – and this has to do with Empire”. It was not simply about global military superiority as an end in itself. “It is also about stabilizing the world's political environments for, among other things, market forces.” She quoted *New York Times* columnist Thomas Friedman: “The hidden hand of the market will never work without a hidden fist.” Global market forces, she added, establish vast disparities among the world's peoples; and “to the extent that disadvantaged peoples feel trapped in their situation, market forces and the political institutions that reinforce them also breed desperation. And desperation is one of the breeding grounds for terrorism.”

Canada's refusal to participate in BMD would give “reinforcement to those Americans who are working to constrain their own government.” Canadians also needed to “work to constrain the market forces that BMD facilitates... and address the root causes of instability and conflict, not just its manifestations”.

### **General debate**

Many Group of 78 members joined in the lively debate that followed, the clear majority favouring Canadian refusal to take part in BMD. Among opinions voiced on BMD, it was called “an ethical error and a short-term idea” and “an ideological not scientific initiative”. To the suggestion that Canada might withdraw from NORAD rather than be involved in BMD, Dr Lindsey replied that NORAD was “one of the best arrangements” Canada had made for its own security; American officials had not run roughshod over Canadian views and had given access to useful information. He also raised the possibility

that, although Britain had agreed to commit Fylingdales radar site to BMD, Denmark might refuse to do the same with its Greenland BMEWS system and this would “send the United States to Ellesmere Island”.

Several speakers focused on how Canada might best refuse to collaborate, and on whether a refusal might bring reprisals, as some feared after Prime Minister Chrétien's somewhat brusque statement opting out of the Iraq invasion. Murray Thomson suggested Canada should avoid any negative or defiant comment and pose our statement positively, “reminding Washington that Canada still says Yes to the ABM treaty, Yes to NPT, Yes to the Space Treaty.” Both Michael Oliver and Senator Roche followed by endorsing this positive approach, while Shirley Farlinger said the best way for President Bush to eliminate his enemies would be to make friends by “enriching the poor”. Michael Oliver said it was prudent to protect against short-range missiles, but the CIA study recommendation was no response to the project of global BMD. Tim Creery questioned whether Canada should even have bilateral talks with the United States on what was a global matter, and suggested Canada should make any statement in a NATO context. The resolution on BMD was subsequently approved by a large majority.