

Increased aid spending key to restoring Canada's world standing

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While many Canadians lament their nation's reduced standing in the world as a leader, peacekeeper and environmentalist, there is currently ample opportunity for Canada to make a comeback. In particular, Canada must be willing to increase its aid spending.

Enormous investments are needed to mitigate (or reduce) greenhouse gas emissions and/or adapt to such phenomena as droughts, floods and rising sea-levels. Yet, poorer developing countries, who are at once least responsible for climate change and destined to suffer its most catastrophic consequences, are unable to undertake the enormous investments required to strengthen their resilience against such "natural" disasters.

According to the World Bank, current mitigation and adaption expenditures in developing countries totaling \$10 billion annually need to rise to a minimum of \$167 billion annually by the year 2030 to be effective. This cost must largely be met through aid.

The upcoming climate talks in Copenhagen present the perfect opportunity for Canada to put its money where its mouth is and lead by example. As of yet, the Government of Canada has only taken small steps to reduce greenhouse gas emissions at home, let alone to help tackle its consequences abroad.

Canada's current target is to reduce national emissions in 2020 by a mere 3 percent below 1990 levels, compared to the minimal reduction target for industrial countries of 25 percent deemed necessary by leading climate scientists. To make a serious contribution to global climate change, Canada must bring its emissions targets into line with the target for other industrial countries at Copenhagen.

Where will the money come from? Where there's a will, there's a way. The North-South Institute has led research into new and innovative sources of financing. The Institute estimates that at least \$33 billion in new revenues can be generated by imposing a miniscule tax of .005 percent on currency transactions. A carbon tax is another method that can both generate critically needed funds and help to constrain greenhouse gas emissions.

Hard-nosed economists will say that it is impossible to allocate more resources to aid without allocating less to something else. Others say, perhaps it is time to re-evaluate the balance between military expenditures versus investments on development and peacemaking.

According to the Stockholm International Peace Research Institute, world military expenditures amounted to \$1.46 trillion in 2008, or \$146 for every \$1 spent on foreign aid. (In Canada defence spending is \$19 billion compared to aid spending of \$4 billion.) SIPRI also estimates that the United Nations and all its agencies spend only \$27 billion

every year. If only a modest portion of current military expenditures were reallocated to climate change, development and to the UN's peacekeeping activities, the worst threats of climate change could be met, world poverty eradicated, and peace made possible for most of the world's inhabitants.

When the government brings down its next Budget its future aid expenditures must be made clear. While both the present government and its predecessor have met the commitments to double aid spending overall, including doubling aid to Africa, over the course of the decade — the decade is all but over. And recent Budgets remain unclear on aid spending beyond 2010.

Despite the increase in Canada's foreign aid this decade, as a percentage of gross national income (0.29 percent) we still fall well below the UN target of 0.7 percent. We are not only behind front-runners such as Norway (0.95) and Sweden (0.93) but also behind other G-8 donors including France (0.38), Germany (0.37) and the U.K. (0.36), and below the average aid country effort of 22 OECD donors of 0.45 percent.

Next June, we are hosting the G8 and G20 summits. That is when Canada must demonstrate it has something vital to contribute, if we wish to remain a member of these global councils. But decisions and commitments must be made now if we are to seize the opportunities before us. Canada can absolutely restore its standing, lost over the last two decades, as a middle power, able to broker peace and nurture development on the world stage, but it will require investing in its aid program.

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