Official Response to eDiscussion on Failed and Fragile States Policy Research Division, Department of Foreign Affairs and International Trade February 22, 2006

Policy makers at the Department of Foreign Affairs and International Trade (DFAIT) have reviewed statements made by participants during the eDiscussion on failed and fragile states. They have also read and considered the views expressed in eighteen policy position papers submitted to the site by thirteen Canadian universities from across the country. In general, opinions registered during the discussion and in the position papers are reflective of existing Canadian policy. Below are responses to the main questions, observations and points of contention which emerged during the debate:

Definition of failed and fragile states

eDiscussion participants and several policy position papers highlighted the absence of an authoritative definition of a 'failed' or 'fragile' state. These sentiments are echoed in academic, government and NGO circles worldwide, where profound disagreement persists over how to define these terms. However, the lack of definitional clarity has not prevented progress in understanding the phenomenon of state failure and/or fragility, and many of the treatments for these conditions do not represent a dramatic departure from current practice. This has allowed for a loose international consensus on some causes and symptoms of fragility (acute and chronic poverty, loss of territorial control, widespread insecurity, deterioration of public services, human rights violations) and on the identification of a number of failed or fragile states. In light of this, Canada has successfully engaged in prevention, reconstruction and stabilization projects in certain failed and fragile states, even as discussions within DFAIT, CIDA and DND proceed over how best to generically define these terms. For example, all three of these departments are currently collaborating to mitigate fragility and support the establishment of a functioning state architecture in Afghanistan, Haiti, Sudan and the Palestinian Territories.

Conflict prevention, intervention and reconstruction

Participants agreed that Canada should actively contribute to efforts to prevent the breakdown of states and to revive those that have failed. Recently, a series of measures have been undertaken within DFAIT to enable deeper engagement in this regard. Chief amongst these is the establishment of the Stabilization and Reconstruction Task Force (START) and the creation of the Global Peace and Security Fund (GPSF).

As noted above, Canada is presently involved in stabilization and reconstruction efforts in several failed and fragile states. For example, in <u>Afghanistan</u> Canada recently supported both presidential and parliamentary elections, deployed a Provincial Reconstruction Team to Kandahar and contributed \$616.5 million to fund national reconstruction programs. Canada is also active in <u>Sudan</u>, where it has contributed \$20 million in support of the African Union Mission and \$70 million to finance humanitarian operations since 2000. Moreover, through the START, several government departments

and agencies are developing a failed and fragile states strategy. This inter-departmental framework will describe the current global context of fragility and its implications for Canada. In addition, it will describe how Canada can effectively engage in activities such as early warning and risk assessment, outline the factors considered when determining whether and when Canada should intervene and explain how existing government programmes and tools can work together to achieve best results. This process will establish a multifunctional response strategy, drawing on expertise from a broad network of government actors and facilitating more integrated Canadian involvement in failed and fragile states.

A number of participants advocated a substantial increase in funding for the Canadian Forces (CF). The new government has indicated a strong commitment to providing additional financial resources to the CF. These new investments will enable the CF to meet fundamental capability requirements such as national surveillance and control, counter-terrorism, air and sea deployability, and logistics supportability. Moreover, it will address concerns expressed during the eDiscussion, by further empowering the CF to intervene effectively in failed and fragile states.

Three policy position papers advocated the development of intervention criteria weighting factors such as Canada's ability to intervene, the level of Canadian domestic support for intervention and governance conditions within the state concerned. To this end, START has recently launched an inter-departmental process to establish a prioritization framework for Canadian engagement in failed and fragile states. The framework will outline several factors that shape where and when Canada should and can intervene. Some of the issues to be examined are: the relevance to Canadian interests and values, the potential impact and effectiveness of Canadian engagement, the regional implications of fragility or failure and the threat a disintegrating state poses to Canadian security.

Multilateralism

Participants registered a clear preference for multilateralism during the eDiscussion. Through support for the UN reform agenda and, in particular, the creation of the Peacebuilding Commission, Canada is seeking more effective multilateral solutions to security and development problems in failed and fragile states. While firmly supporting the role of multilateral institutions in combating fragility, DFAIT recognizes that ad-hoc multilateral processes, such as the current US-led coalition in Afghanistan, are sometimes required.

Defending our interests, promoting our values

Participants and several policy position papers suggested that Canada's involvement in failed and fragile states should be guided by Canadian values. In contrast, others argued that Canada's national interests should drive our decisions of where and when to intervene. In practice, Canada aims to ensure that both interests and values are balanced and reflected in policies and actions on the international stage. Our involvement in failed

and fragile states is an excellent example of this as it is motivated by both strategic interest such as our desire to combat international terrorism and moral imperatives such as those enshrined in the Responsibility to Protect (R2P).

Setting our international aid priorities

Participants called for a clearer articulation of Canadian priorities in the area of international aid. Perhaps the clearest examples of this strategic prioritization are CIDA's selection of 25 new development partners, to which the Agency will devote at least two-thirds of Canada's bilateral aid by 2010, and its focus on five main sectors directly related to achieving the Millennium Development Goals (e.g. good governance, health, basic education, private sector development and environmental sustainability).

A number of participants considered current aid levels for developing countries inadequate, arguing that Canada should bring its ODA-GNI ratio in line with the internationally agreed target of 0.7%. The Canadian government has reiterated its commitment to progressively increasing its ODA contributions. More specifically, the government has committed to raise our international assistance by 8% annually in order to move towards the OECD average for aid spending by 2010. The current Canadian approach also emphasizes non-ODA elements of the "Monterrey Consensus" package, including helping developing countries to attract foreign investment and to benefit from trade and access to global markets. In addition, Canada supports an expanded definition of ODA which includes more peace and security-related expenditures, recognizing that efforts to address global instability must link near-term peace and stability imperatives with longer term development and economic growth goals.

Finally, one policy position paper argued that Canada should use debt relief as a tool to alleviate state fragility. By reducing financial pressures on poor countries, debt relief offers a unique opportunity to increase investments in poverty reduction, social development and governance. In 2005, Canada reserved \$172 million for a new Canadian debt relief initiative and \$34 million targeted to the word's most heavily indebted countries. Canada is paying its full share of the World Bank's Heavily Indebted Poor Country Initiative (HIPC) as well as the Multilateral Debt Relief Initiative first proposed by the G8, currently the two largest multilateral debt relief programmes. Thus, debt relief will continue to be an important aspect of Canadian financial assistance to fragile states in the future, as well as serving as a powerful incentive for economic reform and improved governance in those countries. However, given limited resources and variable state capacity, debt relief cannot be allocated to all debtor countries to effectively mitigate fragility. Consequently, similar to other donor countries and multilateral institutions, Canada has chosen to focus its debt relief programmes on those countries with an unsustainable debt burden, which have sufficiently strong public expenditures management systems to use these savings appropriately for development.

Democratization

In the context of failed and fragile states, eDiscussion participants and policy positions papers judged that Canada should first promote stability in order to ensure conditions conducive to the dissemination of democratic values. Some, however, questioned the universal applicability of democracy. Canada's support for the democratic process in states such as Afghanistan has demonstrated that, with national leadership and popular support, it is possible to establish democratic political systems that respond to certain universal aspirations while also respecting local values and traditions. With this in mind, Canada's democratization strategy is built around three main elements: promotion of good governance, human rights protection and respect for diversity. Canada promotes good governance and the strengthening of democratic institutions in several failed and fragile states. The Haiti Media and Elections Training and Support Project and the Canadian Observation Mission for legislative elections in the Palestinian Territories are examples of the many projects currently funded by Canada Corps to address fragility in nascent democracies.

Obtaining public support

The Government of Canada recognizes the role it must play in raising public awareness of key international policy issues and promoting and facilitating public engagement on these issues. Hosted on the <u>Canadian International Policy site</u>, DFAIT's feature issues, eDiscussions and netcast interviews are examples of how the department endeavours to meet its obligations on this front.

The recent eDiscussion on failed and fragile states is indicative of the department's commitment to highlight and encourage public debate on this issue. In addition, published by DFAIT, the magazine <u>Canada World View</u> regularly highlights Canadian initiatives occurring in failed and fragile states. To foster discussion and information sharing between policy-makers and civil society organizations, DFAIT has also supported public conferences and seminars on this topic, in cooperation with Canadian NGOs, universities and research institutes.

Failed and fragile cities

The particular character of fragility in urban centres and the significant threat posed to national stability by failed and fragile cities was acknowledged in most of the policy position papers submitted. In addition, several eDiscussion participants identified poverty, income inequality and social exclusion as major factors contributing to urban violence. DFAIT represents Canada in several multilateral fora that seek to promote understanding of and solutions to these causes of fragility. For example Canada is a member of the Governing Council of the United Nations Human Settlements Programme and will be hosting the World Urban Forum in 2006. Moreover, DFAIT has recognized the growing role cities are having on the global landscape, and is in the process of exploring the cities-conflict nexus from the perspective of human security. Finally, as part of the CIDA and Cities program, CIDA and the International Development Research

Centre (IDRC) have funded projects targeting marginalized groups such as women and children in shantytowns.

Participants also underscored the distinct physical and social characteristics of rural areas and urban areas. DFAIT recognizes that there are intrinsic connections between the welfare and security of urban and rural communities and is working to reflect this relationship in the department's emerging strategies for addressing failed and fragile cities.