

International Development

Background

Last year saw the adoption of 17 Sustainable Development Goals (SDGs) expanding on the unfinished business of the Millennium Development Goals (MDGs) to include issues related to the environment and climate change, employment, economic growth, inequality, and peace and security, *inter alia*.

Like the MDGs, the SDGs will inform and shape plans and priorities at a global, regional, national, and local level. Unlike the MDGs, these new goals are universal in nature, applying to all countries, rich or poor. This means the SDGs will go beyond guiding international co-operation efforts, to encouraging countries like Canada to determine how they will address their own sustainable development challenges domestically, and how they will contribute to addressing challenges internationally.

Finally, the universal nature of the goals requires collective action around a range of global public goods, such as addressing climate change and promoting a fair, rules-based trading system. Canada is required to make measurable progress toward achieving these goals at home and abroad, with commensurate resources for implementing the SDG agenda.

The year 2015 also marked the 20th anniversary of the Beijing Declaration and Platform for Action, a blueprint for advancing gender equality and women's rights everywhere. While there has been some progress for women and girls, in Canada and globally, in terms of access to education and health care, women have seen unequal advances in other areas including access to political leadership roles, economic opportunities, and job security. Progress has also been slow in checking violence against women.¹

World governments met in September of 2015, at the Global Leaders' Meeting on Gender Equality and Women's Empowerment, to reaffirm previous pledges and commit to making women's empowerment and gender equality a national priority integral to the implementation of the SDGs. States recognized the need to increase investments in gender equality, push for parity for women at all levels of decision-making, eliminate discriminatory legislation, and end social norms that perpetuate gender inequality and violence against women.

Current Issues

Implementing the new global agenda

In September of 2015, in statements made at the plenary of the United Nations summit

for the adoption of the post-2015 development agenda, 21 governments announced their plans for implementing the new SDGs.² Canada was not among them. The Liberal government elected in October last year has committed to developing “a comprehensive plan to make measurable progress toward achieving these goals both at home and abroad.”³

Moving the SDGs forward must be a top priority and will require a significant commitment. To realize the global goals, Canada will need to use an integrated, multi-sectoral approach that is not just whole-of-government, but rather whole-of-Canada. This will depend on all sectors of society placing sustainable development at the centre of all their work — much as the government has said it will do on climate change. It will also require the development of a government action plan for implementing the SDGs, informed by consultations with, and commitments from, a broad range of Canadian stakeholders.

Financing the agenda

The new and universally applicable SDGs, and the adoption of the Paris Agreement on climate change in December, represent a key opportunity to put people and the planet first. In order to achieve this, Canada will need to reverse the trend of recent years that has seen aid budgets decline to historically low levels. Canada must also provide much greater predictability in terms of aid allocations internationally and spending on this plan domestically.

In Budget 2012, the government announced the International Assistance Envelope (IAE) — the budgetary basis of Canadian aid that goes toward poverty reduction — would be reduced by more than \$350 million (to about \$4.6 billion) between 2011–12 and 2014–15. Analysis of aid allocations in 2012–13 and 2013–14 suggest the IAE may have already dropped to below \$4.4 billion.⁴ This was likely due to lapsed spending that was returned to Treasury.⁵

On a positive note, the overall Canadian aid budget seems to have bounced back from \$4.9 billion in 2013–14 to \$5.7 billion in 2014–15. However, the increase is exaggerated by a one-off concessional loan of \$400 million to Ukraine in 2014–15, and a double payment to the World Bank’s International Development Association. (Canada sent the bank two payments of \$441.6 million in the same fiscal year due to a procedural change that year.) If you subtract these one-off payments, the overall aid budget is closer to \$4.8 billion.⁶

Although government support for the integration of 25,000 Syrian refugees is wholly welcome, this will increase the overall aid budget by \$876.7 million in 2015–16.⁷ Refugees typically account for \$200 million per year of the overall aid budget. This one-off will again exaggerate the increase to the aid budget without any commensurate increase to the IAE.⁸

Similarly, the government has not yet made it clear whether the \$2.65 billion recently committed for climate finance will draw from the existing IAE or represent new funding. While the aid budget will fluctuate in the coming years due to a series of

one-off increases, the best way to generate predictability in the aid budget is through regular increases to the IAE.

Focus on the poorest and most marginalized

To ensure that no one is left behind — a key mandate of the new 2030 Agenda for Sustainable Development and the SDGs — prioritizing the poorest and most marginalized must be a priority. This means focusing on the poorest countries, on women and girls, and on the impacts of climate change.

Prioritizing those who are most in need requires a focus on so-called low-income countries, least developed countries (LDCs), and fragile states, as the prime minister's mandate letter to the minister of international development indicated the Liberal government will do. In 2014, Canada was among the top three donors in the OECD countries in only six of its current 25 countries of focus. To maximize the impact it can have on the ground among the poorest and most in need, Canada should aim to become a top donor in more of the countries where it operates.

Investing in women, adolescents, and young girls — who are disproportionately affected by inequality and poverty — and funding women's rights organizations should also be a top priority for Canada. While Canada has historically been a leader in gender equality, in recent years Global Affairs Canada (formerly the Department of Foreign Affairs, Trade and Development) has spent only 1% to 2% of its budget on programs designed to advance gender equality and

women's empowerment — well below the OECD average.⁹

AFB Actions

In 2016, the Canadian government has the opportunity to provide leadership on a global framework for sustainable, inclusive, and equitable development. To do so the AFB will:

- Establish an interdepartmental task force to implement the SDGs, co-chaired by Global Affairs Canada and Environment and Climate Change Canada. This task force will produce a draft strategy and action plan for implementing the SDGs at home and abroad ahead of the next High Level Political Forum in 2016. Domestically, this action plan will have clear indicators, targets, and timelines appropriate to the national context. This draft should be the basis for timely and meaningful national consultations with key stakeholders in 2016–17, and for a new federal sustainable development strategy for 2030 that ensures policy coherence for sustainable development.
- Announce a 10-year timetable for reaching the aid target of 0.7% of gross national income (GNI). This will entail increasing Canada's IAE by 15.7% annually, from \$4.62 billion in 2015–16 to \$5.35 billion in 2016–17, \$6.19 billion in 2017–18, and \$7.16 billion in 2018–19.¹⁰ This timetable will allow Canada to predictably increase aid flows for poverty reduction, conscious that one-off pay-

ments have increased the overall aid budget without commensurate increases to the IAE. This gradual increase will allow for countries to absorb the new funds incrementally. The net new spending will amount to \$730 million, \$1.6 billion, and \$2.5 billion in each of the next three years.

- Starting in 2016–17, dedicate 50% of overall Canadian aid to least developed countries (LDCs), low-income countries, and fragile states.¹¹ In the next four years, or by 2019–20, 0.15% of GNI will be aid dedicated to LDCs.¹² By 2019–20, Canada will also be among the top three donors in at least one half of its countries of focus. Furthermore, the AFB will quadruple Canada’s investment in women’s rights organizations by 2019–20, and ensure that 20% of all aid investments have a principal focus on advancing gender equality and women’s empowerment.¹³
- Develop a forward-looking agenda and action plan on effective development co-operation that builds on commitments made at recent High-Level Fora on Aid Effectiveness (HLF), including the April 2014 meeting in Mexico of the Global Partnership for Effective Development Co-operation. For example, the AFB will align bilateral aid spending with the priorities and development plans of developing countries, in particular national plans for implementing the SDGs and nationally determined contributions on climate change, and make Canada’s spending more predictable and transparent.

Notes

1 For a comprehensive analysis of progress on the Beijing Platform of Action in Canada, see “Progress on Women’s Rights: Missing in Action report - A Shadow Report on Canada’s Implementation of the Beijing Declaration and Platform for Action,” Canadian Centre for Policy Alternatives (2014). Link: https://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2014/11/Progress_Women_Beijing20.pdf

2 From “A Commitment towards implementation? A Review of Statements delivered during the UN Sustainable Development Summit – 25–27 September 2015,” Beyond2015, October 2015. Among statements made by 96 countries during the High Level Summit, 21 (or 22% of the total) made clear references to how they are already translating Agenda 2030 into national reality; 26 (or 27%) indicated some degree of implementation; and 49 (or 51%) did not mention any national plans. Those 21 countries include Bangladesh, Belize, Colombia, Congo, Costa Rica, Czech Republic, Germany, Indonesia, Jordan, Laos, Mauritius, Pakistan, Romania, Samoa, Solomon Islands, Sweden, Switzerland, Tajikistan, Timor Leste, Venezuela, and Zimbabwe.

3 Report on Survey Sent to Parties,” Canadian Council for International Co-operation, October 2015. Retrieved from: http://www.ccic.ca/_files/en/2015_10_16_Report_Survey_Parties.pdf

4 Based on figures from Foreign Affairs, Trade and Development Canada (2013). *Statistical Report on International Assistance*. Fiscal Year 2012–2013. Retrieved from: <http://www.international.gc.ca/development-developpement/assets/pdfs/sr-rs-2012-2013-eng.pdf> and Foreign Affairs, Trade and Development Canada. (2014). *Statistical Report on International Assistance*. Fiscal Year 2012–2013. Retrieved from: <http://www.international.gc.ca/development-developpement/assets/pdfs/sria-rsai-2013-14-eng.pdf>

5 Berthiaume, Lee. (2013). “Hundreds of millions in foreign aid unspent last year, federal records confirm,” *Postmedia News*, November 1, 2013. Retrieved from: <http://www.canada.com/business/Hundreds+million+s+foreign+unspent+last+year+federal+records+confirm/9114155/story.html>; Blanchfield, Mike. “Foreign Affairs Canada Lets \$125 Million In Aid To Poor Countries Lapse,” *Canadian Press*, November 20, 2014. Retrieved from: http://www.huffingtonpost.ca/2014/11/20/foreign-affairs-canada-lapsed-funds_n_6194630.html; Fekete, Jason and Lee Berthiaume. “Tories left \$9.5 billion in approved funds untouched to avoid deficit during elec-

tion year,” *National Post*, December 10, 2015. Retrieved from: <http://news.nationalpost.com/news/canada/tories-left-9-5-billion-in-approved-funds-untouched-to-avoid-deficit-during-election-year>.

6 That said, it is impossible to definitively ascertain Canada’s IAE amount since this figure has not been made public since 2010.

7 Levitz, Stephanie. “Cost of Syrian refugee plan pegged at \$1.2B over 6 years,” *Canadian Press*, November 20, 2015. Retrieved from: <http://www.cbc.ca/news/politics/syrian-refugees-billion-six-years-1.3327780>

8 The cost of refugees living in Canada in their first year is included in our overall aid budget, but is not part of the IAE. Therefore, an increase in refugee costs increases our aid budget without seeing any increase to the resources going to fight poverty in developing countries.

9 Plewes, Bettery (2014). *Digging Deeper. Towards Greater Action on Global Rights for Women and Girls*. Retrieved from: http://www.ccic.ca/_files/en/DiggingDeeperEnglish_Web.pdf

10 The estimate of GNI from the November 2015 Fiscal Update for each of the years 2015 (\$1,999.7 billion), 2016 (\$2,017.7 billion), 2017 (\$2,100.42 billion), 2018 (\$2,197.04 billion) and 2019 (\$2,293.71 bn) is used. To establish the IAE for each year, we assumed that the IAE for 2015/16 remains flatlined at the 2014–15 level of \$4,622. We then increased subsequent years by 15.7%.

11 In 2013–14, the government allocated \$2.23 billion in aid to these countries out of a total of \$4.86 billion, or 46%..

12 In 2013–14, the government allocated \$1.70 billion in aid to LDCs, or 0.09% of GNI. This would see funding to LDCs shift from \$1.7 billion in 2013–14 to approximately \$3.4 billion in 2019–20.

13 In 2013–14, the government allocated \$5.2 million to women’s rights organisations. By 2019–20 this should be \$20.8 million.