

In This Together: A Case for Canada's Global Engagement

Key Messages for Canadians about International Assistance

- ◆ **The key issues concerning Canadians** – climate change, public health, poverty, gender inequality, social exclusion – are all global issues that Canada must help to address.
- ◆ Canada's current investment in international assistance of \$6.2 billion is **equivalent to 0.27 percent of the gross national income (GNI)**. Canada is well below its international commitments and the contributions of peer countries.
- ◆ **Canada's Feminist International Assistance Policy (FIAP) represents a progressive human rights-based framework** that strategically addresses root causes behind key global issues. For it to yield results, it requires appropriate resources that reach the most marginalized.
- ◆ **Scaling up Canada's official development assistance (ODA) is urgently needed** to re-position the country in the international arena, support a just global recovery from the COVID pandemic and enable Canada's own recovery.
- ◆ A substantial increase in ODA would signal Canada's determination to contribute its fair share of global efforts to **respond to COVID-19 and build a better, more just, world** in which future crises and human suffering are prevented, leaving space for a more feminist, human-rights based and equitable prosperity.

What is Official Development Assistance?

THE WORLD HAS NEVER BEEN MORE INTEGRATED AND INTERDEPENDENT. This is becoming increasingly clear as core national issues reflect broader global problems of the COVID-19 health crisis, climate change, conflict and poverty. With inter- and intra-national inequality rising, coordinated, integrated and sustainable efforts are needed to address these global problems for collective prosperity anywhere. Building on multilateral mechanisms, including those of the United Nations (UN), on regional platforms and on the work of civil society, Canada and the international community have committed to collaborative interventions to address these challenges and meet the seventeen Sustainable Development Goals (SDGs) of the [2030 Agenda for Sustainable Development](#).

Domestic challenges of inclusive economic prosperity, public health and climate change are also all global problems that Canada must contribute to solving. The main vehicle of Canada's contribution to these global efforts is official development assistance (ODA). As Canadians, our commitment to principles of human rights and gender equality have been reflected in international agreements to pursue social, political, economic and environmental justice by contributing to global governance institutions and progress in historically disadvantaged countries.

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Public funds that support these efforts on a grant or concessional basis – ODA – are a concrete manifestation of Canada's commitments. ODA is a part of Canada's investment in an equitable, more sustainable and safer world; one in which Canada and Canadians can prosper. In 2015, Canada heralded a human rights-based [Feminist International Assistance Policy \(FIAP\)](#) that focuses on the most marginalized, including women and girls, and aims to deliver fundamental social, political, economic and environmental transformations towards a better world. Unprecedented global challenges require Canada to ensure that its ODA levels match the ambitions of the FIAP, Agenda 2030, [Paris Agreement on Climate Change](#) and Canadian values for a more prosperous and just world for us all.

WHY IS OFFICIAL DEVELOPMENT ASSISTANCE IMPORTANT FOR CANADA?

THE SCALE, THE SCOPE AND THE COMPLEXITY OF CURRENT GLOBAL CHALLENGES ARE AFFECTING THE LIVELIHOODS OF PEOPLE ABROAD AND IN CANADA. With already alarming and continuously rising levels of inequality revealing weaknesses in key systems for supporting human rights, health and resilience, the world is left unprepared to address the current global pandemic of COVID-19. Affecting virtually every country, the pandemic has been devastating for the most vulnerable communities and people. Faced with an expected USD 8.5 trillion in economic losses, the world struggles to deal with 71 million people facing extreme poverty. Historically disadvantaged countries, reliant on international trade and informal economies, are caught between containing the pandemic and risking the lives and livelihoods of their populations. With 265 million people being pushed to the brink of starvation, 290 million children missing school, 47 million women lacking access to contraception and 13 million child marriages taking place during the pandemic, Canada's determined intervention is imperative.

Resolute steps must be taken to protect development gains and advance global achievements now under threat. Over the past half-century, we have seen unprecedented progress:

Child mortality rates have been **lowered** as immunization programs **spread worldwide**, with **21 million deaths prevented by measles vaccinations alone**.

Health and nutrition initiatives **increased life expectancy in low-income countries** by more than 20 percent — from 50 years to 61 years — in less than 15 years.

Extreme poverty was reduced from nearly 36 percent in 1990 to **10 percent in 2015**.

These achievements are the result of collaborative international efforts. Since 1970, international actors have committed to allocating 0.7 percent of gross national income (GNI) in ODA to support sustainable development solutions. With these commitments confirmed in 2005 at the 31st G8 Gleneagles Summit, the wealthiest countries have joined forces to contribute toward more equitable and resilient societies by meeting humanitarian needs of food security, displacement and natural disasters and investing in core social services of healthcare, education, shelter, hygiene and sanitation and human rights protection.

STRATEGIC DIRECTIONS OF CANADA'S OFFICIAL DEVELOPMENT ASSISTANCE

Canada's ODA has yielded important results overseas, supporting sustainable health and education systems, gender equality, good governance, critical infrastructure and much more. Thanks to Canada's feminist approach, expertise and political vision, Canada's ODA is employed strategically. Our country ranks among top donors investing ODA to:

- **Strengthen agricultural value-chains and markets** upon which many of the world's poorest communities rely for food and livelihoods;
- **Bolster multilateral mechanisms** that ensure the prevention of and preparedness for natural disasters, epidemics and other crises;
- **Mitigate and adapt to global climate-change consequences** and protect biodiversity;
- **Prevent and end conflicts** and assist displaced populations and refugees, prevent exploitation and safeguard children and the most marginalized populations;
- **Protect and advance human rights** and access to justice mechanisms; and
- **Foster education and innovation** that is consistently improving lives and livelihoods for all of humanity.

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As a result of ODA efforts to which Canada contributes in partnership with other governments, international institutions, civil society and others, millions of people worldwide are living better lives:

- **millions of children under five** are treated for diarrhea, pneumonia and malaria
- **millions of women and girls** are empowered to exercise their sexual and reproductive health rights
- **millions of parents and children** are supported for family planning, safe childbirth and early childhood
- **millions of women and girls living in crises** are enabled to attend school and get an education
- **millions of farmers and families** are supported to adapt to climate change and sustain their livelihoods.

CANADA'S CONTRIBUTION TO INTERNATIONAL ASSISTANCE ACROSS THE GLOBE

CANADIANS TAKE PRIDE IN THE VALUES OF INCLUSIVITY, DIVERSITY, GENEROSITY AND RELIABILITY. Many Canadians think Canada is a leader in international cooperation. The truth is that Canada consistently lags behind other wealthy nations in providing its fair share of international assistance contributions, and it falls short of its international responsibilities. Canada's ODA is currently well below the country's historical performance and those of peer donor countries. This is true even for climate finance, where we contribute less than half of our fair share.

Budget 2018 included \$2 billion in new investments in ODA — a major commitment that was welcomed and celebrated by Canadians and Canada's development and humanitarian organizations. In the fiscal year 2018/2019, Canada invested \$6.2 billion in ODA. At this level Canada's contribution to the world's most important challenges accounted for a mere 0.27 percent of its gross national income. Not only is this figure far below the global commitment of 0.7 percent of GNI, Canada's contribution is below the average of 34 middle- and high-income countries of the Organization for Economic Cooperation and Development (OECD). Countries like Sweden and Norway, which share Canada's values and priorities, consistently invest 1 percent of their GNI to solutions to global issues.

“...there will be no recovery until the pandemic is eradicated, and development investments from thereafter will require a reinvigorated commitment.”

In 2018, OECD called for Canada to increase ODA in line with the country's ambitious plans under the Feminist International Assistance Policy. The House of Commons Standing Committees on Finance and Foreign Affairs and International Development have said the same. At home and abroad, Canada is being told to put its money where its mouth is.

ODA is a non-partisan issue. Human rights underpin Canada's commitments and the objective of improving lives cuts across partisan lines. Canada's peak ODA performances came under Conservative Prime Ministers Brian Mulroney and Joe Clark (both at 0.47 percent of GNI), with Liberal Prime Minister Pierre Trudeau close behind (0.44 percent of GNI). As a proportion of the economy, the current government's record is the lowest in 50 years, continuing a two-decade downward trend across both Liberal and Conservative administrations.

Given the unprecedented humanitarian needs of COVID-19 and historic gains in economic, social, political and environmental outcomes around the world that are now in jeopardy, Canada's efforts are needed to ensure a just recovery. As experts warn, there will be no recovery until the pandemic is eradicated, and development investments from thereafter will require a reinvigorated commitment. Following decades of counter-productive austerity policies around the globe, Canada's political leadership has shown that the fastest way to overcome shocks such as

the current pandemic is to invest in global public health and community resilience. Eradicating COVID-19 domestically can only occur if this is achieved globally. It is Canada's historical imperative to do its fair share and within our strategic interest to do so. Now is the time to significantly increase Canada's ODA.

Official Development Assistance as a Smart Investment

ODA also delivers significant returns for Canada and Canadians. Here are a few examples of the impact of Canada's bilateral support, benefitting populations abroad and at home:

RETURN ON INVESTMENT FOR BILATERAL PROGRAMS

VIETNAM

Since 1990, Canada has contributed over \$1.5 billion in development assistance to Vietnam. Over those 30 years, Vietnam has grown from one of the world's poorest countries into lower middle-income status - with a large international trade portfolio that includes Canada. In 1993, Canada's two-way trade with Vietnam was \$50 million. In 2018, two-way trade was \$6.5 billion - up 130 times. Every two years, Canada makes as much in sales to Vietnam as it provided in 25 years of ODA.

BANGLADESH

Canada has contributed more than \$4 billion in international assistance to Bangladesh since 1972. While significant progress remains to be made in the area of human rights protection and inclusive development, Bangladesh has economically transformed - with a recent growth rate of over 7 percent. The national poverty rate has recorded a reduction from almost 60 percent in 1990 to 20 percent in 2010, with Bangladesh becoming one of the fastest growing economies. This has positively impacted our bilateral relationship. Canada's trade with Bangladesh has tripled in the last 15 years to \$2.4 billion. Some 6,500 Bangladeshi students are studying in Canada. As a share of Canada's international student population, this represents a benefit of \$170 million and supports nearly 2,000 jobs.

SOUTH KOREA

Canada played a key role in support for post-war reconstruction in South Korea. Today, Canada and South Korea have a free trade agreement, our first and still only free trade agreement in the Asia-Pacific region. South Korea now ranks as the 11th largest economy by gross domestic product (GDP). The country has eradicated illiteracy, lowered unemployment and halved absolute poverty from 20 percent in 1975 to under 10 percent in 2001. As Canada's sixth largest trade partner, South Korea contributes to the Canadian economy through collaboration on science and technology, counting \$15.3 billion in annual trade operations.

ETHIOPIA

Ethiopia is one of Canada's main partners in sub-Saharan Africa. Even despite ongoing challenges, Canada's investments in Ethiopia, dating back to 1965, have yielded important results. Poverty rates have dropped by a third in the last two decades, and Ethiopia has achieved many of the Millennium Development Goals. This includes drastic reduction to infant and maternal mortality and HIV infections. The country has experienced unprecedented economic growth for more than a decade and is rolling out national programs addressing food security and other priority social issues. Even as Ethiopia hosts one of the largest refugee populations in Africa, the country also contributes to Canada's economy. In 2018, the merchandise trade between Canada and Ethiopia exceeded \$170 million, \$130 million of which represent Canada's exports.



When we support Canada's international assistance, we support the global economy — which benefits Canadian citizens and businesses who enjoy the benefits of trade, security and shared prosperity. In addition, more than 2,000 Canadian organizations work in international development and humanitarian assistance. These organizations employ 14,000 Canadians and mobilize over \$5 billion a year for inclusive development, much of this directly from the Canadian public.

“...the estimated financial benefits of appropriate adaptation are four times greater than the actual costs of investments...”

Some of the most important returns on investment in ODA are the hardest to see. They are non-events and avoided crises. The cost of adapting the world to a changing climate is enormous. Yet the estimated financial benefits of appropriate adaptation are four times greater than the actual costs of investments, principally because investments in disaster risk reduction mitigate the impact and the scale of future crises, thus saving human lives, reducing economic costs and decreasing the need for humanitarian funding.

Climate investments can help prevent and mitigate conflict and forced migration and support agricultural value chains and the lives and livelihoods of smallholder farmers. Investing in developing-country health systems helps to ensure that localized epidemics do not become global pandemics. Climate change-induced animal-borne diseases can and must be identified and neutralized to avoid the spread of future pandemics such as COVID-19, thus saving lives and protecting development investments. In both cases, the opportunity cost of ODA investments is measured in dollars as well as in lives.

RETURN ON INVESTMENT ACROSS STRATEGIC AREAS OF INTERVENTION

ODA ALLOWS CANADA TO MAKE STRATEGIC, COORDINATED AND SUSTAINABLE INTERVENTIONS in support of multilateral institutions and partners overseas and contribute to more resilient communities, inclusive social safety nets, economic systems, environmental programs and strengthened governance frameworks. Canada's feminist approach upholds the inclusivity of human rights and strives towards long-lasting shifts that strengthen capabilities of individuals and collectives globally. All of these are critical objectives in and of themselves, but they also serve Canada's long-term interest.



HEALTH AND SOCIAL PROTECTION

ODA saves and improves lives. It ensures the urgent needs of the most vulnerable are met by providing food assistance, shelter, sanitation structures, sexual and reproductive health and rights and psychosocial support. ODA also strengthens the capacity of state and non-state actors to provide these services in a sustainable and transformative manner. Such support allows developing countries to, among others, cope with and contain outbreaks that would otherwise threaten countless lives and livelihoods. In the midst of the COVID-19 pandemic, Canadians are aware of the interconnected nature of public health systems around the globe and the threat that insufficiently funded governance structures pose in fighting a pandemic. Strengthened social systems around the world are our best defence against this and future pandemics.



CLIMATE ACTION

While climate change does and will affect all people everywhere, the poorest people of the world are already disproportionately impacted. Meanwhile, Canada is one of the world's most polluting countries per capita. If Canada is to meet its own declared commitment to ambitious climate action, it will need to build a strategy for achieving bold new targets for climate mitigation and adaptation. This requires a two-track approach – both lowering Canada's emissions domestically and providing climate finance through ODA to support climate mitigation and adaptation in developing countries.

A [fair-share commitment](#) to global climate action is key to making Canada's climate ambition a reality. In 2015, Canada [committed](#) \$2.65 billion over five years in international climate finance, reaching \$800 million annually by 2020/21, to help the world's poorest and most vulnerable people deal with climate change. Canada's [fair share of international climate finance](#) under the Paris Agreement has been calculated at \$1.8 billion in annual funding from public sources. To meet its international responsibility, Canada needs to more than double its contribution to international climate finance, which calls for a substantial increase of Canada's international assistance envelope more broadly.



GENDER EQUALITY

ODA helps reduce gender inequality around the world by supporting women's and girls' access to education, reproductive health rights and services, employment, finance and decision-making. [Canada's Feminist International Assistance Policy](#) goes even further, by addressing the root causes of gender inequality: social norms and systemic discrimination against women, girls and other marginalized groups.

These transformations require persistent, strategic and sustainable investments that cannot be made without equally consistent and ambitious investments in ODA. Feminist and women's rights organizations, in particular, require institutional and long-term support in order to be effective. [Less than 1 percent of ODA globally is allocated to women's organizations](#), despite [evidence](#) showing that these organizations are the most effective in reaching the most marginalized and adopting innovative and lasting solutions. To achieve FIAP objectives, Canada's ODA must be augmented and strategically allocated.



ECONOMY AND TRADE

ODA creates economic growth and trade opportunities by strengthening international systems and forging valuable bilateral and multilateral partnerships. In the period from 1989 to 2015, [the average return on each dollar of Canada's ODA was \\$1.19 in exports](#). Canadian civil society organizations have expertise designing and implementing programs that, in collaboration with local authorities and partners, support the sustainable development of clean water infrastructure, safe housing, local markets, food systems and other social services that underpin economic growth. Global ODA investments have contributed to a long-term diversification of Canada's trade relationships that is in Canada's national economic interest. Looking to the future, Africa's demographics represent a huge market potential – by 2030, [one in five global consumers will live there and more than half of them will have discretionary income](#). [Investing in new and emerging markets](#) and forging sustainable and equitable partnerships with partners would enable Canada's economic transformation as well.



HUMAN SECURITY

ODA improves security at home and abroad. The rise in global conflicts and threats to global safety and security further threaten development progress across the globe. Armed conflict, cyber security risks, violent extremism and environmental and health insecurity are all global issues with direct local repercussions Canada must address. ODA [supports](#) partner countries in regions where instability fuels conflict, resulting in the loss of life, regional destabilization and grave global economic and political repercussions. Investing in a safer, more prosperous world is a sure way to keep Canada safe. ODA emerges as a [relatively low-cost and low-risk](#) investment, particularly in comparison to military deployment and conflict resolution.



HUMAN RIGHTS AND CIVIC SPACE

ODA supports [civil society actors](#) providing essential services including those of healthcare, education, nutrition, access to justice and the integration of the most marginalized groups. ODA strengthens the capacity of state and non-state actors to prioritize programs dedicated to the protection of human rights, including the rights of women and girls, children, persons with disabilities and non-binary individuals. A strong civic space and the rule of law are [key enabling factors](#) of all other development objectives and requisites of a just and equitable society towards which we are striving at home and abroad.





MULTILATERAL INFLUENCE

ODA contributes to a country's diplomatic leadership in multilateral arenas. ODA is one of the clearest metrics of a country's global engagement and its commitment to global leadership. In the period of global instability where vital multilateral institutions on which we all rely are threatened, Canada's investments are imperative. Canada's ODA influences the way the country is perceived in key processes such as the elections for the UN Security Council Seat (UNSC), which speaks to the reliability of a country's political commitments on the international scale. Following the June 2020 UNSC vote, a strengthened ODA would send a clear message that Canada is all but retreating from the international stage and that the country boasts the political leadership and the financial commitments needed to engage in multilateral decisions that reflect Canadian interests and values.

The Importance of Canada's Increased ODA for a Just Recovery

Canada's international assistance is strategic, progressive and equitable. To ensure the effectiveness of Canada's international assistance more robust, predictable, and flexible funding is imperative. With only 10 years left to achieve the Sustainable Development Goals and with looming crises of the current global pandemic, climate change, conflicts, and development concerns, the urgency of Canada's commitment cannot be overstated.

Canada's current low levels of ODA threaten to undermine the impact of Canada's global interventions, including diplomatic engagement, trade relations, peacekeeping and international assistance. To assume an influential leadership position and help solve the issues Canadians are facing, Canada's ODA will need to be significantly increased in the short and long term. A significant increase in ODA from the current \$6.2 billion is needed to address underlying causes behind the global crises and invest in more resilient systems and communities. This endeavor will demand political leadership and the strategic awareness that the current investments in a safer and more equitable world will save billions in the long run, while ensuring a peaceful, innovative, inclusive and healthy world for all.

COVID-19 has reminded us that our social safety nets are only as strong as the weakest ones across this interconnected planet.

A strategic and determined ODA increase represents the core step towards meeting Canada's global ODA requirement of 0.7 percent of its GNI over the next decade. COVID-19 has reminded us that our social safety nets are only as strong as the weakest ones across this interconnected planet. Unbreakable connections in global mechanisms of public health, economy and social inclusion and well-being point to the need for Canada's ODA to help set the country on a clear path towards securing investments across humanitarian and development spheres, for better, more just societies for us all.

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