

Written submission for the pre-budget consultations in advance of upcoming federal budget

By: Results Canada

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Recommendation 1: that the government increase the 2022-2023 International Assistance Envelope (IAE) to CAD \$8.7 billion, which is an annual increase of roughly CAD \$2.5 billion.

Recommendation 2: that the Government commit to a roadmap for a predictable and adequately funded international assistance envelope by 2030, including a clear five-year timetable for sustained increases, commensurate with Canada's international commitments.

As of July 28, 2021, [1 in 2 people](#) in high income countries have been vaccinated against COVID-19, whereas only [1 in 74](#) people have been vaccinated in low-income countries. This level of inequity will have a lasting and profound impact on socio-economic recovery in low- and lower-middle income countries. As long as the pandemic rages elsewhere, more lives will be lost, our economic recovery will falter, new variants like Delta will emerge, and no one will be safe. Leaving some countries years behind us in recovery not only perpetuates the rate of needless suffering and deaths, but it also undermines the possibility of a full global and Canadian economic recovery.

The federal government's primary role is to protect Canadians, so it is appropriate that Canada's priority has been to invest in the health and economic wellbeing of its citizens. However, global pandemics do not respect borders. That is why we recommend that, at minimum, Canada invests the equivalent of at least 1% of what has been spent to address COVID domestically towards a global response. This investment would represent an increase to the 2022-2023 International Assistance Envelope (IAE) to CAD \$8.7 billion, which is an annual increase of roughly CAD \$2.5 billion.

Just 1% would put Canada in a real leadership position within the G7 and would allow the government to take meaningful action in support of a globally coordinated response to COVID-19, as well as a just recovery for all. By increasing the IAE by CAD \$2.5 billion Canada could contribute its fair share in grants to the [global USD \\$50 billion initiative](#) aimed at eradicating COVID-19, while also working to mitigate against the devastating food, health, and education crises exacerbated by the pandemic.

The \$50 billion global COVID response and recovery appeal represents a historic initiative brought forward by the unprecedented coalitions of key multilateral organizations whose leadership recognized the need for a strategic and coordinated global intervention to the perfect storm of climate, global health, economic, and human rights crisis. Canada's contribution to this global initiative holds key to solving global challenges that have a direct impact on the safety, security, and economic prosperity of communities at home and abroad. It would be profitable too. Every dollar invested in getting vaccines to the poorest communities will yield [a return of \\$100](#) in economic benefits to high-income countries like Canada.

The pandemic has resulted in decades of progress in the fight against extreme poverty and other epidemics like TB to be lost. We must not give up on efforts to reclaim the gains and close the many growing deadly divides. Just 1% is enough to solidify Canada as a champion of equality, fairness, and justice, while positioning us at the core of a global recovery effort that cannot be tackled by any one nation alone.

Why Canadian political leadership is needed more than ever:

- The pandemic has created the most severe disruption to global education systems in history, forcing more than [1.6 billion](#) learners in more than 190 countries out of school at the peak of the crisis. It threatens the future of a generation with [24 million](#) children and youth at risk of dropping out.
- Data on working hours lost shows that the equivalent of 255 million jobs were lost during the pandemic, which is [five times higher](#) than during the 2008 financial crisis.
- Without urgent and concerted action, COVID-19 will lead to widespread increases in malnutrition - hitting women, children, and other vulnerable groups the hardest. By 2022, COVID-19 could lead to an additional [13.6 million](#) wasted children and 3.6 million stunted children, 283,000 under-five child deaths due to poor nutrition, and 4.8 million women with anemia.
- Due to severe disruptions in essential health services, coverage of lifesaving health interventions for women, children and adolescents in [36 countries](#) where the Global Financing Facility for Women, Children, and Adolescents (GFF) operates dropped up to 25% in 2020 as compared to pre-pandemic levels. This means that 4 million pregnant women lost access to childbirth care.

While Canada has made a number of meaningful international commitments in recent years, our overall level of international assistance as a proportion of our national wealth is insufficient. [Since 1970](#), the United Nations target set under Canadian leadership has been for developed countries to give 0.7% of their gross national income to development assistance. Canada's levels of spending reached a near all-time low of [0.27% of GNI in 2019](#) — well below the Organisation for Economic Co-operation and Development (OECD) rich-country average of 0.38%. Canada's previous high was 0.34% reached in 2010.

With the onset of the COVID-19 pandemic in 2020, this trend was reversed. Canada not only maintained its pre-pandemic IAE but also committed around CAD \$1.2 billion in new and additional funding for the global COVID-19 response. This included funding for the Access to COVID-19 Tools (ACT) Accelerator — the global partnership working to develop and equitably distribute COVID-19 vaccines, tests and treatments — and for addressing the development and humanitarian impacts of the pandemic. These investments brought Canada's aid level in 2020 up to [0.31% of GNI](#). While this increase in spending was welcomed by Canadians who care and recognize that our economy is global, our population is multicultural, and that we cannot solve global challenges in isolation, 0.31% is still below the average donors of the OECD and does not reflect our context of living through the biggest global crisis in a generation.

Ahead of budget 2021, Canada's development sector joined together to call on the government to anchor 2020 IAE increases in a longer-term increase in aid by investing just 1% of what had been spent at home by the 2020 fiscal update (~CAD \$5.9 billion) in a globally coordinated response over three years. With around \$1.2 billion of that total committed in 2020/21, this would have translated to a CAD \$7.8 billion IAE in 2021/22 and CAD \$8.7 billion in 2022/23 to start Canada on the path to sustained annual increases.

In budget 2021 the government announced an additional CAD \$375 million towards the global pandemic response, which was part of a CAD \$1.4 billion increase in international assistance over 5 years. Much of this CAD [\\$1.4 billion](#) was targeted for spending in year one, meaning that Canada does not have a recovery plan for the world and is failing to take appropriate long-term action. Low levels of funding, exacerbated by unpredictable new allocations that follow political trends and media attention instead of the humanitarian needs and development strategies, are threatening the achievement of the government's own Feminist International Assistance Policy.

Canada's 2022 - 2023 budget must remedy the missed opportunity for leadership and impact in the world by increasing IAE to CAD \$8.7 billion and laying out a roadmap for a predictable and adequately funded IAE by 2030, including a clear five-year timetable for sustained increases, commensurate with Canada's international commitments.