CANADA'S FOREIGN AID POLICY REVIEW

PREPARED BY
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**Executive Summary**

This Policy Review recommends the Honourable Minister of International Development and Minister of Foreign Affairs work to redesign the Feminist International Assistance Policy (FIAP) to incorporate two distinct modifications. Firstly, to broaden the FIAP’s core agenda into a more expansive policy framework. Specifically, to broaden the existing SDG-centered “core action area” of SDG5 (Gender Equality) to encompass more SDGs such as SDG3 (Good Health and Well-Being) (See Annex C). Further, it is recommended here that the FIAP grants equal weighting to each set of existing “action areas” in order to provide enhanced flexibility in aid deliverance. Secondly, this review recommends implementing additional localized international assistance support and management mechanisms to improve oversight and delivery of funding channels. This would allow for an enriched observation of outcomes and aid effectiveness in Canada’s FIAP.

These two modifications to the FIAP are recommended for two overarching reasons. Firstly, COVID-19 threatens to undo existing progress on the SDGs and exacerbate global poverty. Not only is this a direct hazard to Canada’s FIAP and aid efforts, but it also hinders Canadian recovery from the pandemic. Borrowing from a report by Canada’s Ambassador to the United Nations (UN), Bob Rae, a global recovery means a Canadian recovery. Enabling the FIAP to prioritize a wider array of challenges such as global health would allow for a stronger development portfolio in addressing the global pandemic, therefore improving a global recovery that would, in turn, benefit Canada. Secondly, Canada’s foreign aid portfolio is underfunded and underdeveloped. There has been no meaningful increase in the foreign aid funding envelope and the existing framework suffers from blind spots that impact aid delivery and effectiveness. Solutions to these problems require a buttressing of the existing FIAP policy framework.

In terms of practical applications, GAC’s development branch will need to factor in a clear and coherent aid plan that is dedicated to alleviating COVID-19 through existing channels and multilateral partners that may fall outside of existing FIAP auspices. Additionally, Canada should broaden use of Integrated Country Frameworks (ICFs) and localized dialogue mechanisms with local governments, non-governmental organizations (NGOs) and civil society organizations (CSOs).

Canada leads all other OECD countries in Official Development Assistance (ODA) that is filtered through gender-based objectives. Redesigning the FIAP along the lines
proposed in this review would not diminish this but work to complement existing goals and avoid a “niche” policy focus. COVID-19 disproportionately affects the development of women and girls in the developing world;⁴ therefore, Canada should lean into its strengths here while improving the existing FIAP policy framework. Once completed, Canada’s international development portfolio will wield a more flexible approach to aid allocation and prepare for future global health crises as well.
## Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>CIDA</td>
<td>Canadian International Development Agency (Now amalgamated into Global Affairs Canada)</td>
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<td>CSO</td>
<td>Civil Society Organization</td>
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<td>DAC</td>
<td>Development Assistance Committee</td>
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<td>DFAIT</td>
<td>Department of Foreign Affairs and International Trade</td>
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<td>FDI</td>
<td>Foreign Direct Investment</td>
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<td>FIAP</td>
<td>Feminist International Assistance Policy</td>
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<td>FinDev Canada</td>
<td>Development Finance Institute Canada</td>
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<td>ERU</td>
<td>Emergency Response Unit</td>
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<td>GAC</td>
<td>Global Affairs Canada</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>GNI</td>
<td>Gross National Income</td>
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<td>ICF</td>
<td>Integrated Country Framework</td>
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<td>IFI</td>
<td>International Financial Institution</td>
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<tr>
<td>KPI</td>
<td>Key Performance Indicator</td>
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<tr>
<td>NGO</td>
<td>Non-Governmental Organization</td>
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<tr>
<td>ODA</td>
<td>Official Development Assistance</td>
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<td>ODI</td>
<td>Overseas Development Institute</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<tr>
<td>PAI</td>
<td>Principled Aid Index</td>
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<tr>
<td>SDG</td>
<td>Sustainable Development Goal</td>
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<tr>
<td>TOSSD</td>
<td>Total Official Support for Sustainable Development</td>
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<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
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Background, History and Policy Process

Designated End User(s)

The Honourable Karina Gould, Minister of International Development and the Honourable François-Philippe Champagne, Minister of Foreign Affairs, Global Affairs Canada (GAC).

Problems Facing the Nation

1. COVID-19 is a global problem that requires a global solution:
   a.) As COVID-19 burdens the domestic health system, it simultaneously challenges multilateral efforts to quell the pandemic and undo progress towards the SDGs.⁵
   b.) On the international development front, it is in Canada’s interest to curtail the pandemic through increased aid investment in the developing world to ensure a global recovery that, in turn, benefits Canadians.

2. The current aid portfolio is underfunded and underdeveloped.
   a.) Despite the launch of FIAP in 2017, the funding envelope has not increased.
      i. The 2020 Throne Speech was the first since Justin Trudeau’s election to mention increased international assistance.⁶
      ii. There has been an increase in spending due to COVID-19, but it is only temporary and not integrated into FIAP (See Annex A).
   b.) The existing FIAP framework suffers from blind spots that negatively impact aid delivery and effectiveness.
      i. It has only led to a marginal decrease in aid allocated to advance narrow and short-term interests, per the Principled Aid Index (See Annex B).⁷
      ii. Its focus on gender equality as the only core action area has created a two-tier system of aid priorities, making it less flexible than needed and creating a piecemeal approach for COVID-19 aid delivery.

In sum, the recommendations provided in this Policy Review will highlight improvements to Canada’s FIAP and overall international development assistance that provide greater flexibility and could assist in addressing the global pandemic.
Addressing the challenges posed by both problems requires an investigation into the FIAP and its current policy framework as it is the cornerstone of Canada’s current aid portfolio (See Annexes A & C).

**Past Policies and Critical Decisive Moments**

<table>
<thead>
<tr>
<th>Year</th>
<th>Policy/Critical Moment</th>
<th>Details</th>
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<tbody>
<tr>
<td>2000</td>
<td>Millennium Development Goals</td>
<td>Canada joins a majority of UN member states in agreement on a set of broad “Goals” to eradicate global poverty by 2015.8</td>
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<td>2005</td>
<td>Paris “Aid Effectiveness Agenda”</td>
<td>International development policy roadmap to improve aid quality and effectiveness.9</td>
</tr>
<tr>
<td>2005</td>
<td>Countries of Focus Program</td>
<td>Canada selects 25 countries to become prioritized for bilateral aid allocation, based on criteria surrounding economic and geopolitical interests.10</td>
</tr>
<tr>
<td>2008</td>
<td>Official Development Assistance Accountability Act</td>
<td>Federal legislation that establishes a set of principles for ODA allocation and spending to meet, involving poverty reduction and Canadian foreign policy goals.11</td>
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<tr>
<td>2013</td>
<td>CIDA is folded into Foreign Affairs and International Trade (now Global Affairs)</td>
<td>CIDA and DFAIT are amalgamated into what is now GAC.12</td>
</tr>
<tr>
<td>2015</td>
<td>2030 Agenda for Sustainable Development</td>
<td>Canada joins a majority of UN member states in agreement to work on achieving another set of broad development goals (SDGs), albeit larger in scope by 2030.13</td>
</tr>
<tr>
<td>2016</td>
<td>GAC International Assistance Review</td>
<td>The Government of Canada initiates public consultation on its international assistance policy and determining its approach to SDG benchmarks.14</td>
</tr>
<tr>
<td>2017</td>
<td>Feminist International Assistance Policy (FIAP)</td>
<td>Overarching international assistance strategy geared towards gender-based poverty reduction and specific KPI's centered around the SDG's and 2015 Paris Agreement on climate change.15</td>
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2019  
Canada’s Approach to Innovation in International Assistance Guidance Notes  
The Government of Canada codifies and synthesizes the 2030 Agenda, FIAP and Whistler Principles into a unified guidance document.  

Trends and Indicators

Indicator 1: Official Development Assistance (ODA)

ODA is a measure used by the OECD Development Assistance Committee (DAC), which is made up of thirty countries that are major donors of international assistance. ODA is defined by the OECD as government aid provided by official agencies (including state and local government), with the main objective of promoting the economic development and welfare of developing countries (See Annex E). Aid with primarily commercial or military objectives does not qualify as ODA. This Policy Review will focus on governmental aid, hence the choice of the ODA as an indicator. However, there are multiple types of foreign aid (See Annex D).

The vast majority of Canada’s international assistance comes in the form of ODA. The OECD recommends that countries give the equivalent of 0.7 per cent of their GNI in ODA. In 2019, Canada’s net ODA grew by 0.5 per cent, mostly due to a large contribution to the International Bank for Reconstruction and Development and an increase of the international assistance envelope funding. However, despite this increase, the level of ODA only represented 0.27 per cent of Canada’s GNI, much lower than many peer countries, and below the OECD average of 0.38.
CANADA'S TOTAL ODA
US$ millions; in 2018 prices

Figure 1
Source: Donor Tracker\textsuperscript{20}

ODA in 2019 on a grant equivalent basis - as a percentage of GNI

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**Trend 1: A decrease in ODA/GNI across OECD countries**

Since 2000, net ODA has doubled. However, the increase in the net amount of ODA is not paralleled with an increase of ODA as a share of GNI. In the same time period, the average ODA as a share of GNI for all DAC countries has never risen above 0.35 percent.

![Graph showing trend in ODA/GNI across OECD countries]'

**Trend 2: Canada ranks first among peer countries for ODA allocated to projects with a gender focus**

The OECD also calculates the share of ODA focused on gender equality for each DAC country. Each funded project/programme is rated with a three-tier system: gender is a principal objective, gender is a significant objective, or gender was not targeted. In the latest data available (2018), Canada ranks first out of all DAC countries, with 90% of bilateral ODA having a principal or significant gender objective.
Trend 3: An increasing focus on Canada-based CSOs

Canada provides its bilateral ODA via different channels. The majority of ODA allocated through CSOs is allocated to Canada-based CSOs rather than developing country-based CSOs. This can be a problem, because local context matters when funding projects, especially those with a gender objective.25
Trend 4: Principled Aid Effectiveness

Canada currently ranks in the top five donor countries of the Overseas Development Institute’s (ODI) Principled Aid Index in terms of aid quality but spends a relatively low quantity of aid in comparison (See Annex B). Moreover, The Index notes that Canada’s aid effectiveness quality had started to decrease before the pandemic began (Annex B).

Indicator 2: Total Official Support for Sustainable Development (TOSSD)

The TOSSD was first proposed by the OECD, and then more widely embraced following the adoption of the Sustainable Development Goals, as a framework to measure their implementation. TOSSD has two pillars: one monitors cross-borders flows while the other tracks global and regional support for international public goods.27
The TOSSD is still being developed by an International Task Force. Provider countries such as Canada had until this past July to provide data to the task force. Once compiled, TOSSD will be available to all online, divided by pillar, SDG focus, sector, and location. By measuring additional measures compared by traditional international development finance statistics, like South-South cooperation, TOSSD will be able to present a better picture of the aid landscape while also keeping track of the progress on the SDGs.
Current Policies

Canada’s Feminist International Assistance Policy (FIAP) and SDG-Based KPI’s

In 2017, the Government of Canada adopted the FIAP which emphasizes key “action areas” that outline gender equality, human dignity, inclusive economic growth, environment and climate change, inclusive governance and peace and security (See Annex C). This is a targeted approach to aid, and 92% of funding is channeled toward five SDGs: gender equality (SDG5), inequality (SDG10), health (SDG3), climate (SDG13), and absolute poverty (SDG1). The FIAP ensures that 95% of bilateral ODA will integrate gender equality, and 50% is spent in sub-Saharan Africa (SSA).
GAC currently lists several international development projects directed primarily towards COVID-19 relief or global health crises and ERUs that would be within the scope of alleviating COVID-19 (See Annex A). Projects fall in line with the SDG-based KPI’s of the FIAP in regard to prioritizing women and girls as well as geographically centering mainly on Sub-Saharan Africa, Latin America and the Caribbean and Southeast Asia (Annex A). The total cost of the combined maximum contribution levels allocated for all projects arrives at $1,272,206,812 (CAD) (Annex A), and projects such as certain Canadian Red Cross initiatives are intended to continue until 2024 on their budget. Canada’s $440 million contribution to the COVAX initiative makes up a large proportion of funds pooled here and is also intended for domestic procurement (See Annex F). Additionally, on June 27, 2020 the Canadian government committed $300 million for international aid efforts from existing unallocated funding pools (Annex A), but it is yet unclear how it will be applied into Canada’s FIAP strategy.
Policy Analysis

Interests and Values

Canada has moved away from a “countries of focus” approach, which provided foreign aid to a limited number of countries, to a more inclusive approach (See Annex A & C). Canada sees gender equality as the foundation to eradicating poverty, and it is the cornerstone of the country’s international assistance policies (See Annex C). The six main action areas for foreign aid have been determined as gender equality, human dignity, growth that works for everyone, environment and climate action, inclusive governance, and peace and security.37

Canadians also want an effective response to COVID-19. Canada can utilize its international standing to provide robust development aid and ensure a global recovery that improves economic and health conditions at home. Canada can use the new thematic approach to international assistance and the COVID-19 pandemic concurrently to improve its image on the world stage, if the resources needed are invested.

Goals and Objectives

1. To ensure the Canadian approach to foreign aid is efficient, coherent, and comprehensive.
2. To improve the relationship between GAC and CSOs, both local and Canadian, by building on the guidelines of the Policy for Civil Society Partnerships for International Assistance.
3. To help alleviate the COVID-19 crisis by working to assure universal COVID-19 vaccine distribution and increasing resource allocation for global COVID-19 relief.

Stakeholders, Allies and Detractors

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Description</th>
<th>Ally or Detractor</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Nations Development Program</td>
<td>As the UN’s lead development agency, the UNDP is tasked with helping with the implementation of the SDGs to</td>
<td>Ally</td>
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<tr>
<td></td>
<td></td>
<td>The UNDP helps countries implement SDGs into their national planning. So far, the</td>
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<tr>
<td><strong>Civil Society Organizations, Non-Governmental Organizations, and Foundations</strong></td>
<td>Ensure targets are reached by 2030.(^{38})</td>
<td>Organization has helped 103 countries with integrated planning.(^{39})</td>
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<tr>
<td>CSOs, NGOs, and foundations, both based in Canada and in other countries, can provide services and funding to individuals, groups, and governments. They usually focus on one country/theme.</td>
<td><strong>Ally</strong> The Canadian government can work alongside CSOs, NGOs, and foundations to improve its aid distribution and focus. It can also benefit from their expertise.</td>
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</table>

| **Canadian Public** | As taxpayers, the Canadian public provide the funds that are eventually distributed as foreign aid. | **Mixed** Given the unprecedented economic pressures caused by the COVID-19 pandemic, Canadians may support increased investment in Canada rather than abroad. |

| **Local Governments and Public** | Local governments and public may receive foreign aid from the Canadian government. NGOs and CSOs based in their country might also be recipients of this aid. | **Mixed** Local governments and populations may appreciate the financial support from the Canadian government to support and fund initiatives and projects. However, the nature and angle of the funding, especially with the FIAP, may go against the values of the government and create conflict. The type of aid provided can create tension in local communities if it does not reflect the values of those members. |
| **Development Finance Institute Canada (FinDev Canada)** | Established in 2018, FinDev Canada’s main goal is to support private investment in developing countries. It provides direct loans, guarantees, structured financing, and equity to clients operating in developing countries.\(^{40}\) FinDev Canada’s two regions of focus are Latin American and the Caribbean and sub-Saharan Africa.\(^{41}\) | **Ally** | FinDev Canada is a subsidiary of Export Development Canada, the country’s state-owned export credit agency. Therefore, FinDev aligns its priorities with the governments to create a more coherent aid approach. |
| **Treasury Board of Canada** | The Treasury Board oversees government spending to ensure it is used properly by different government departments, including GAC. | **Detractor** | Bilateral development projects with a budget above $20 million need to be approved by the Treasury Board Secretariat, to ensure taxpayer money is used efficiently. This reduces GAC’s financial autonomy and makes the process more burdensome. It was identified by the OECD as an obstacle for GAC to be more innovative.\(^{42}\) |
| **International Financial Institutions** | Some IFIs, such as the World Bank and regionalized institutions like the African Development Bank, lend money for development projects in middle- and lower-income countries. Their main goal is to help reduce poverty, which they try to achieve by helping fund projects at better lending rates.\(^{43}\) | **Mixed** | Funding from IFIs can complement Canadian funding for projects abroad. However, it is important that funding from IFIs and countries such as Canada are not only focused on a few projects, and that they do not contradict each other. |
WHO has been coordinating the global COVID-19 response, including COVAX in collaboration with CEPI GAVI.

Ally Canada can work with the WHO (and COVAX) to further its vaccine diplomacy and broader efforts to combat COVID-19.

Programmatic Needs

This Policy Review notes these programmatic needs for GAC’s development branch:

1. Establishment of a clear and coherent aid plan in the fight against COVID-19
   a.) Investment for COVID-19 vaccine development and procurement must be earmarked for international distribution as well as domestic.
   b.) Additional COVID-19 development relief must be balanced between multilateral and local partners, governments and NGOs.

2. Improvement on the current structure of aid distribution with the:
   a.) Creation of complementary mechanisms for dialogue with local governments, NGOs, and IFI’s to ensure timely and prudent aid allocation.
      i.) Expansion of the Integrated Country Frameworks to ensure more integrated planning between Canada and local governments and CSOs
   b.) Reduction of the administrative burden on the recipients of Canadian foreign aid

Policy Implementation

Costed Options

Option #1: Increase Canada’s international assistance funding envelope

| Pros | • Canada will be closer to meeting the 0.7% goal from the OECD and catching up with its peer countries. |
| **Cons** | • More aid does not mean it will be spent well, especially if there are no additional accountability mechanisms.  
• It will not solve FIAP’s structural issues.  
• More aid might not be well seen after record government spending due to the COVID-19 pandemic. |
| **Expected Outcome** | • Increase Canada’s foreign aid contributions overall, improving the country’s standing among peer nations.  
• Potential to enhance FIAP’s reach and impact.  
• Expedite global and domestic recovery from COVID-19. |

**Option #2: Redesign FIAP into a more inclusive and expansive policy framework, particularly to buttress challenges to existing SDG-based KPI’s due to COVID-19**

| **Pros** | • Prevent Canada from becoming a donor for “niche” issues that ignore broader shared global issues.  
• Better implementation and follow-up by improving relations with local actors.  
• Enhanced competence in alleviating COVID-19 in developing states from a gender-based context.  
• Provide more flexibility for where the aid is going.  
• Improving on FIAP, rather than replacing it, would not impact the government’s image as much. It would also be less time-consuming. |
| Cons | • Can reduce Canadian prestige and standing on the world stage if not designed and implemented correctly.  
• Without additional funding, the impact of the program’s reconfiguration would be limited.  
• “Policy-mission creep” may cause FIAP to become overambitious and less consistent in KPI tracking. |
|---|---|
| Expected Outcome | • Improvement of FIAP’s reach and ability to support various types of projects.  
• More robust effort to curtail COVID-19 in the developing world, leading to advancement in meeting SDG-based KPIs of the FIAP.  
• Creation of more solid local networks to gain a better understanding of the situation on the ground. |

**Option #3: Implement additional localized international assistance support and management mechanisms for multilateral and bilateral funding channels.**

| Pros | • Grants and innovative loan programs would see improved oversight.  
• Experts and local partners in the field would provide critical knowledge and navigation of assistance.  
• Blended finance initiatives would have a more robust screening criteria. |
|---|---|
| Cons | • Increase in administrative burden.  
• Reduction of traditional ODA for innovative finance.  
• Principled aid agenda may hamstring local initiatives in the developing world. |
| Expected Outcome | • Increase in targeted and efficient international assistance packages.  
• Heightened oversight of fund and finance allocation. |
Recommendation with Impact and Evaluation

This review recommends implementing an approach that utilizes a combination of options 2 and 3. To achieve this recommendation, this review tasks GAC with a thorough review of FIAP, centered around three objectives.

I. Expand FIAP’s focus and reach

The COVID-19 pandemic has clearly shown the need for an aid strategy that is more flexible than what is currently possible with the existing FIAP framework.

Currently, the FIAP has six action areas, but only lists gender equality as a core action area, with the other five (human dignity, growth that works for everyone, environment and climate change, inclusive governance, and peace and security) being relegated to the background. It is centered around one SDG (Goal #5) (See Annex C). Expanding its action areas would allow the inclusion of more SDGs, like Goal #3 (Good Health and Well-Being) and Goal #13 (Climate Action).

Re-framing the FIAP by giving equal weight to each action area would give more flexibility to Canada’s international assistance and would prevent the country from becoming a “niche” donor that potentially ignores critical shared global issues.

II. Create additional mechanisms to increase localized international assistance support and management mechanisms for multilateral and bilateral funding channels

To ensure that the aid is directed to the right places - and to be able to properly follow-up on the aid’s impact - it is essential that the FIAP includes additional localized international assistance support and management mechanisms.

Currently, Canada channels the majority of the ODA provided to CSOs through Canada-based CSOs, and only a fraction to developing country-based CSOs. This Review recommends Canada reconfigure its aid approach with developing country-based CSOs in order to improve localized support and reporting as well as reduce Canada’s domestic interests in aid distribution (See Annex B).

Earlier this year (pre-COVID), GAC released its Civil Society Partnerships for International Assistance Policy and an implementation plan to go with it. It will be important for this review to take into consideration such a policy and how it can be concretely integrated into FIAP.

III. Learn from FIAP’s current shortcomings

Before increasing ODA funding, steps must be taken to improve Canada’s aid delivery and effectiveness. The reliance on Canada-based CSOs for aid delivery and the weak performance of FIAP to increase the advancement of long-term development goals...
(Annex B) must be addressed, among other current blind spots of the policy. In order to improve on the existing framework, it is essential to consult with relevant stakeholders to know what works, and what doesn’t about the current aid delivery mechanisms.

COVID-19 seriously threatens gender equality in the developing world (See Annex G) as well as other SDGs that Canada’s FIAP should consider in order to strengthen its overall aid strategy in this regard. The commitment to COVAX is a start, but it is recommended that the FIAP codify elements of aid policy to continue support of that nature for the future.

FIAP was first announced in 2017 and has not been updated since (Annex C). It is recommended that GAC pursue more aid projects with SDG3 as principal target and shift some focus from SDG5 as well as distribute prioritization amongst other “action areas” (See Annex A). GAC should also conduct an assessment of successful projects under the FIAP and determine how to adjust the current policy model to address the “commitment-capability” gap with current ODA allowances (Annex C).

This Review affirms that current efforts such as the combined $785 million dedicated to COVID-19 related aid (See Annex A) would benefit from a more targeted and effective delivery under these changes.

We also recommend that, once our recommendation is implemented, Option #1 is then considered. In order to fulfill the potential of a redesigned FIAP, it is important that more funding is allocated to be able to support projects for each action area. Canada’s foreign aid spending during COVID-19 has increased, but broader trends prior to the pandemic showed overall decreases that must be addressed (Annex B).

**Timeline with KPIs**

<table>
<thead>
<tr>
<th>Timeline</th>
<th>Relevant Stakeholder(s)</th>
<th>Actionable Item(s)</th>
<th>KPI(s)</th>
<th>Communication Strategy</th>
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<tbody>
<tr>
<td>Period</td>
<td>Responsible Party</td>
<td>Activity Description</td>
<td>Outcome Description</td>
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<tr>
<td>December 2020 - April 2021</td>
<td>Minister of International Development / GAC</td>
<td>Assessment of current FIAP policy framework on existing global health and SDG-based metrics, followed by evidence-based revision and addition of new localized mechanisms.</td>
<td>1.) Completion of Assessment. 2.) Outlined tactical plan for improved management mechanisms and multilateral/bilateral funding channels.</td>
<td>Incorporate newly outlined FIAP measures to address COVID-19 and broader SDG targets into existing “Canada’s Response to COVID-19” campaign.</td>
</tr>
<tr>
<td>May 2021 - September 2021</td>
<td>GAC / FinDev Canada / Treasury Board / Department of Finance</td>
<td>Secure funding for new policy framework and execution through relevant stakeholders. Allocate funds as per completed Assessment and tactical plan.</td>
<td>1.) Securement and allocation of relevant funding.</td>
<td>Publish numbers and update funding distribution amounts on GAC website. Provide an update to Canadians with a press conference from the Minister of International Development and/or Prime Minister.</td>
</tr>
<tr>
<td>October 2021 - Ongoing</td>
<td>GAC / UN Development Programme / GAVI COVAX / IFI's / NGO's / Local Governments / CSO's</td>
<td>Implementation of revised FIAP approach and improved localized aid support mechanisms.</td>
<td>1.) Continued reporting on new and existing KPI's outlined in FIAP. 2.) Reporting on new localized mechanisms, oversight measures and screening criteria set out in tactical plan.</td>
<td>Track progress of allocation and outcomes on GAC website as well as international partner sites. Share efforts through broader marketing of “Canada’s Response to COVID-19” campaign.</td>
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# Annexes

## ANNEX A: Canada’s Current International Assistance Projects

<table>
<thead>
<tr>
<th>Policy/Program</th>
<th>Partner</th>
<th>Details</th>
<th>Maximum Contribution</th>
</tr>
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<tbody>
<tr>
<td>Deployment of Health Emergency Response Units - Canadian Red Cross (2019-2024)</td>
<td>Canadian Red Cross</td>
<td>Supporting the Canadian Red Cross in deploying Health Emergency Response Units (ERUs) in Africa, the Americas and Asia. Goal of enhanced gender-responsive ERU services in communities experiencing health crises contexts.</td>
<td>$9,000,000 (CAD)</td>
</tr>
<tr>
<td>Emergency Assistance to Coronavirus (COVID-19) - IOM 2020</td>
<td>International Organization for Migration (IOM)</td>
<td>Support for the United Nations Global Humanitarian Response Plan (GHRP) through the IOM to provide assistance in humanitarian situations. Facilitating access to essential relief items as well as water, sanitation and hygiene (WASH) services.</td>
<td>$2,000,000 (CAD)</td>
</tr>
<tr>
<td>Funding Facility for Stabilization in Iraq - Response to Coronavirus (COVID-19)</td>
<td>United Nations Development Programme (UNDP)</td>
<td>Assisting regions of Iraq hardest hit by the COVID-19 pandemic through measures including but not limited to raising awareness, equipping medical labs, equipping ten healthcare facilities, and assisting in development of a gender-based post-COVID-19 Recovery Strategy.</td>
<td>$2,500,000 (CAD)</td>
</tr>
<tr>
<td>Contribution to COVAX Vaccine Alliance</td>
<td>Gavi, The Vaccine Alliance</td>
<td>Canada announced $440 million towards equitable COVID-19 vaccine distribution. 49</td>
<td>$440,000,000 (CAD)</td>
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<tr>
<td>My Health, My Choice - Support to the Health Pooled Fund in South Sudan for COVID-19</td>
<td>Government of the United Kingdom, Department for International Development (DFID)</td>
<td>Assisting South Sudan's largest provider of healthcare, the Health Pooled Fund, in equipping health workers and facilities as well as public health promotion and education. 50</td>
<td>$4,500,000 (CAD)</td>
</tr>
<tr>
<td>Readiness for Global Emergency Response - Canadian Red Cross (2019-2024)</td>
<td>Canadian Red Cross</td>
<td>Supports the Canadian Red Cross in maintaining its capacity to deploy field hospitals, relief materials and experts when global health crises emerge. 51</td>
<td>$12,507,212 (CAD)</td>
</tr>
<tr>
<td>Protecting Sexual and Reproductive Health and Rights in the Philippines - Response to COVID-19</td>
<td>Inter Pares</td>
<td>Aligned with the Government of the Phillipines' pandemic response, this program aims to assist women and girls in Manila and surrounding areas. 52</td>
<td>$800,000 (CAD)</td>
</tr>
<tr>
<td>Strengthening Food Systems in Response to Coronavirus (COVID-19)</td>
<td>International Fund for Agricultural Development (IFAD)</td>
<td>Aims to increase food security and agricultural resilience in rural areas affected by the pandemic, particularly for women. 53</td>
<td>$6,000,000 (CAD)</td>
</tr>
<tr>
<td>Support to COVID-19 Response in Latin America and the Caribbean</td>
<td>Pan American Health Organization (PAHO)</td>
<td>Delivering aid, training and technical assistance to marginalized and vulnerable populations in Latin America and the Caribbean. 54</td>
<td>$7,500,000 (CAD)</td>
</tr>
<tr>
<td>Support to Women's Peace and Humanitarian Fund - Emergency Response to COVID-19</td>
<td>United Nations Development Programme (UNDP)</td>
<td>Providing funding to local CSOs in fragile and conflict-affected states that are working to deliver aid and services to address the COVID-19 pandemic, with women and girls advocacy as a central tenet.55</td>
<td>$1,000,000 (CAD)</td>
</tr>
<tr>
<td>---</td>
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</tr>
<tr>
<td>Women's Voice and Leadership - Response to Coronavirus (COVID-19) - South Sudan</td>
<td>CARE Canada</td>
<td>Supporting Women's Rights Organizations (WROs) to address harmful effects of the COVID-19 pandemic on women's rights in South Sudan.56</td>
<td>$149,600 (CAD)</td>
</tr>
<tr>
<td>Women's Voice and Leadership - Response to Coronavirus (COVID-19) - Mozambique</td>
<td>Centro de Aprendizagem e Capacitação da Sociedade Civil (CESC)</td>
<td>Program intended to support WROs and CSOs in mitigating the effects of COVID-19 on women and girls in Mozambique.57</td>
<td>$500,000 (CAD)</td>
</tr>
<tr>
<td>Women's Voice and Leadership - Response to Coronavirus (COVID-19) - Nigeria</td>
<td>Action Aid Nigeria</td>
<td>Program intended to support WROs and CSOs in mitigating the effects of COVID-19 on women and girls in Nigeria.58</td>
<td>$750,000 (CAD)</td>
</tr>
<tr>
<td>Canada commits $300 million to global COVID-19 response (June 27, 2020)</td>
<td>Unspecified</td>
<td>Canada draws funds from existing unallocated pools within Canada’s current aid envelope.59</td>
<td>$300,000,000 (CAD)</td>
</tr>
<tr>
<td>Canada contributes $485 million to assist developing countries with COVID-19 (December 14, 2020)</td>
<td>UNICEF, Access to COVID-19 Tools (ACT) Accelerator</td>
<td>Canada allocates additional funding to help developing countries cope with the pandemic and assist in vaccine procurement60</td>
<td>$485,000,000 (CAD)</td>
</tr>
</tbody>
</table>
ANNEX B: The Principled Aid Index

The Overseas Development Institute (ODI) publishes an overarching review of how donor countries spend their bilateral foreign aid, known as the “Principled Aid Index.”

The criteria used to assess bilateral aid spending is based on three dimensions: development gaps, global cooperation, and public spiritedness. These dimensions measure what critical areas of development aid is going towards, how much aid is channelled towards shared global challenges and how much domestic interests are tied to aid spending.

Canada currently ranks in the top five overall in regard to its principles but maintains a relatively low quantity of aid spending compared to other donor states in the Index. Moreover, the Index notes that Canada has had a decline in donor principled aid scores that started before the COVID-19 pandemic.

Understanding the index

The Principled Aid Index scores donors across three equally-weighted dimensions:

- **Development gaps**: Aid is allocated to address critical development vulnerabilities and inequalities
- **Global cooperation**: Aid is allocated to channels and activities that address shared global challenges
- **Public spiritedness**: Aid is allocated to maximize every opportunity to achieve development impact, with narrower domestic gains an indirect consequence

Source: ODI
ANNEX C: Canada’s FIAP

Canada first introduced the FIAP in 2017 and has continued to integrate the key “action areas” of the Policy into nearly all elements of international development assistance. The six areas of focus: “gender equality,” “human dignity,” “growth that works for everyone,” “environment and climate action,” “inclusive governance,” and “peace and security,” are all closely linked to the SDGs. Additionally, the Government of Canada provides “advocacy” and “corporate” indicators that assess aid effectiveness through local government, business and CSO promotion of gender equality. Of these “action areas,” four central actions are tied to the types of aid projects that are pursued.

These are:
1. Addressing sexual and gender-based violence;
2. Providing support for local women’s rights organizations and movements;
3. Helping partner countries improve policies to alleviate differential needs of women and men; and
4. Stepping up commitments to evidence-based decision making.

In 2018, Canada spent 87% ($2.4 billion USD) of its bilateral ODA on development projects that prioritized gender equality, but only 6% of funding went towards projects with gender equality as the principal goal. By fiscal year 2020/22 Canada aims to integrate 95% of bilateral ODA into projects that frame gender equality as the primary target. However, current bilateral and multilateral ODA falls well below the government’s target of 15% by 2021/22, instead reaching 5% in 2018. The Government of Canada is progressing towards that objective, as there was a 133% increase in the scale of projects that focused on gender objectives from 2017-2018 alone.
CANADA'S BILATERAL ODA FOR GENDER EQUALITY

US$ millions

Source: Donor Tracker

OECD CRS, Aid projects targeting gender equality and women’s empowerment.
Gross disbursements, in 2018 prices.

Source: Donor Tracker
ANNEX D: The Different Types of Foreign Aid

Given that this policy review is centered around foreign aid from the Canadian government, it will primarily use ODA/ODAAA as its main indicator for aid. However, it is far from the only measure of foreign aid. This annex does not represent an exhaustive list of all of the other ways to measure aid but presents some of the most common.

Foreign Direct Investment

FDI is a type of foreign investment, where an investor from one country establishes a lasting interest in an enterprise in another country. It is a key element in international economic integration, because it creates long-term links between economies. FDI can be both outward and inward; for example, in 2019, Canadian investments abroad totalled $1,391 billion, while FDI in Canada represented $973 billion.

Not all FDI is foreign aid. For example, Canadian direct investments abroad in 2019 mostly increased in Europe and decreased in South America and Asia. Around 45 per cent of Canadian direct investments abroad were in the United States. The finance and insurance industry is the biggest recipient of Canadian investments abroad, and the mining and oil and gas industries saw the biggest increase in the past year.

There are many indicators that can be used to measure FDI. These include FDI stocks (total level of direct investment at one point in the year), FDI flows (inward and outward) by partner country and by industry, and FDI income payments and receipts by partner country and by industry.

Remittances

As defined by the IMF, the principal organization that gathers statistics remittances, remittances “represent household income from foreign economies arising mainly from the temporary or permanent movement of people to those economies.” There are two aspects to remittances: income earned by temporary migrant workers in their host country, and personal transfers from workers in one economy to workers in another economy. In practice, this usually translates to migrant workers sending money to family and friends in their country of origin.
Remittances can be measured in cash and non-cash items and can flow through both official and informal channels. In some countries, the level of remittances is higher than the level of FDI and play a large role in economic growth.\(^7^9\) For example, in 2019, remittances represented 34.3 per cent of GDP in Haiti.\(^8^0\) The World Bank estimates that remittances have exceed the amount of ODA since the mid-1990s, and the gap between the two amounts has only grown since then.\(^8^1\) Currently, the number of remittances represent three times the amount of FDI and ODA combined.\(^8^2\)

However, due to the ongoing COVID-19 pandemic, remittance flows are expected to decrease by 7 per cent in 2020, and by 7.5 per cent in 2021.\(^8^3\) This could be devastating for many reasons. The UN estimates that around one in nine people are supported by remittances. Remittances can also help directly achieve seven SDGs.\(^8^4\)

**Public-Private Partnerships**

Public-Private Partnerships (PPP) are often used to for infrastructure projects around the world. As the name implies, it is an arrangement between public and private actors, usually a government entity and a private party. Not all PPP projects are aid related. For example, as of 2015, there had been more than 200 delivered PPP infrastructure projects in Canada.\(^8^5\)

PPPs can have many benefits for the governments using them. They can bring additional sources of funding for projects, which can in turn improve project selection. They can also increase service delivery. However, there can be many downsides to PPPs. They can lead to governments accepting higher fiscal commitments and risks than recommended and require effective contracting and procurement by the government involved for success.\(^8^6\)

To help governments considering the use of PPPs, multilateral development banks have developed many resources to support them in their decision-making. These include the Public-Private Partnership Legal Resource Center\(^8^7\) and the PPP Knowledge Lab.\(^8^8\)
ANNEX E: How ODA is Calculated

Recently, DAC countries chose to change the methodology to calculate ODA. The grant equivalent system is now used. This new methodology takes into consideration the type of ODA provided - grants (aid provided free of interest and no repayment) or loans (have to be repaid with interest). Prior to the change in methodology, there was no distinction between grants and loans when calculating a country’s ODA, even if grants represent a bigger effort on the part of countries providing the aid. The value of a loan is now based on its grant equivalence (more generous loans will be worth more). This methodology was first used for the 2019 report.  

[Graph showing the share of loans in gross bilateral ODA across different countries.]

Source: OECD

ODA can be bilateral and multilateral. Bilateral ODA flows directly to a specific country. Multilateral ODA can either be earmarked for a specific country or theme through a multilateral organization or be core contributions to multilateral organizations. Bilateral aid can also be channelled through multilateral organizations. In 2018, 76 per cent of the country’s ODA was bilateral.
Canada - Bilateral and multilateral ODA allocations
Gross disbursements, million USD, 2018 constant prices

Source: OECD®
Annex F: Canada’s Contribution to the COVAX Alliance

The COVAX Alliance was formed in April 2020 by the Coalition for Epidemic Preparedness, Gavi, the Vaccine Alliance, and WHO. It was created to ensure that COVID-19 vaccines would be distributed in an equal manner globally, given that only richer countries have the financial capacities to make bilateral agreements with drug companies.

COVAX is split into two components. There is the COVAX Facility, used to provide investments and incentives to vaccine manufacturing facilities. Countries that contribute financially to the COVAX Facility will be able to request a number of vaccines, based on the amount of their contribution. The second component is the COVAX Advancement Market Commitment, which is a mechanism created to distribute vaccines to 92 middle and lower-income countries. The goal is to vaccinate 20% of the overall population of these countries by the end of 2021.93

Canada has committed $440 million to the COVAX Alliance, split equally between the COVAX Facility and the COVAX Advancement Market Commitment.94 Given the nature of the COVAX Alliance, $220 million will be used to secure doses for domestic use through the COVAX Facility, and the remaining amount will be used to secure doses for other countries.
ANNEX G: The Impact of COVID-19 on Gender Equality

While COVID-19 has impacted everyone, its economic impact has been the strongest on women and girls. Some industries that have been the hardest hit by the pandemic, such as the accommodation and food sectors, are typically over-represented with women workers. Furthermore, an estimated 740 million women work in the informal economy, which has also been heavily impacted by the pandemic. Globally, women make up 70% of health and social care workers, and therefore more likely to be exposed to COVID-19 at work. It is estimated that infection rates among female healthcare workers are three times as high as their male colleagues.

COVID-19 is expected to worsen poverty, especially in the regions of the world where the majority of the world’s extreme poor reside - Central and Southern Asia, and sub-Saharan Africa. The gender poverty gap is expected to increase in these regions.

In **South Asia**, the **gender poverty gap** will worsen further still:

![Graph showing gender poverty gap in South Asia](image)

Source: UN Women

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The poverty gap is also expected to increase globally due to COVID-19. A recent analysis by UN Women and the UNDP published in August 2020 estimated that 47 million women and girls were pushed into poverty due to the pandemic.\(^{99}\)

Among those aged 15+, women will still be the majority of the extreme poor in 2030.

Source: UN Women\(^{100}\)
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