

KEY QUESTION

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How is the Canadian ODA budget structured?

IAE is the primary ODA budget tool

According to Global Affairs Canada (GAC)'s Statistic Report on International Assistance, in FY2014/15 (the latest year for which a detailed breakdown is available), Canada's ODA amounted to CAD5.7 billion (US\$5.2 billion). GAC managed the largest share (63%). Other key actors include the Department of Finance (24%), primarily channeling Canada's contributions to the World Bank Group and managing debt relief for developing countries, and the International Development Research Centre (IDRC) (3%).

The remaining 10% of ODA is provided by other departments, as well as other spending that may be reported as ODA. The latter category mainly includes costs for hosting refugees, and imputed costs for students from developing countries studying in Canada (together 10%).

The main budget envelope for development assistance, however, is the International Assistance Envelope (IAE). The IAE funds more than 90% of Canada's ODA; in FY2014/15, 98% of it was eligible for ODA.

After remaining static for several years, the IAE is expected to modestly increase by CAD256 million over FY2016/17 and FY2017/18. Throughout a fiscal year, the government may add funding to the IAE through Supplementary Estimates, which need approval by the Parliament (for more details, see question five, What are the important decision-making opportunities in Canada's annual budget process?).

Full details on the IAE are only available for FY2014/15. However, the Main Estimates (ME) of GAC for the forthcoming FY2017/18 budget, released on March 1, 2017, gives a glimpse into planned allocations for development-related programs. According to the ME, GAC allocates spending across three programs: 1) International Security and Democratic Development, 2) International Development, and 3) International Humanitarian Assistance (see table). The 'International Development' program is by far the largest of the three. The ME show that GAC plans to allocate CAD3.5 billion altogether for these three areas, marking an increase over the CAD3.1 billion requested for FY2016/17. This increase is due to higher spending on 'International Security and Democratic Development' and 'International Humanitarian Assistance', which are expected to grow by CAD237 million and CAD165 million, respectively. Core 'International Development' shows little change. Overall, however, the

ME remains flat relative to actual expenditures in FY2015/16.

More details on priorities and sub-programs within these three main budget areas will be published in GAC's annual Report on Plans and Priorities (RPP), which is expected to be released in late March 2017.

Overview:	In millions	
FY 2014/15 ODA budget	CAD	US\$
International Assistance Envelope (ODA only)	5,186	4,693
Global Affairs Canada	3,615	3,271
Department of Finance, of which:	1,344	1,216
IDA (assessed contributions)	883	754
Other spending (mainly debt relief)	461	417
International Development Research Centre	194	176
Other government departments	33	30
ODA from sources other than IAE budget	527	477
Costs for hosting refugees	271	245
Imputed student costs	172	156
Other government departments	84	76
Total ODA	5,713	5,170

Source: 2017-18 Main Estimates

GAC:	FY	FY	FY
Planned development spending, CAD millions	15/16	16/17	17/18
International Security and Democratic Development	364	237	475
International Development	2,48	2,33	2,34
International Humanitarian Assistance	700	561	726
Total	3,544	3,128	3,541

Source: 2014-15 Statistical Report on International Assistance