

## KEY QUESTIONS

### the big six

#### 4

## Who are the main actors in Canada's development cooperation?

### PM provides strategic direction; GAC drives development policy

Prime Minister (PM) Trudeau, head of the Liberal Party, sets high-level development policy priorities. Under the PM's leadership, Global Affairs Canada (GAC), the governmental department in charge of foreign affairs, also steers development policy. GAC comprises three formerly separate departments and thus falls under the leadership of three ministers: the minister of foreign affairs, the minister of international development and la Francophonie, and the minister of international trade.

GAC is headed by the minister of foreign affairs, currently Chrystia Freeland (Liberal Party). With oversight from the foreign minister, the minister of international development and la Francophonie, Maryam Monsef (Liberal Party; also Canada's minister of women and gender equality), sets development policy and makes funding recommendations to the Cabinet. The deputy minister of international development, Diane Jacovella, manages GAC's development policy units and budget allocation.

Relevant units within GAC are: 1) the Global Issues and Development Branch, which manages multilateral policies and contributions; 2) four geographic branches managing country programs; 3) the Strategic Policy Branch, and 4) the Partnerships for Development Innovation Branch, responsible for partnerships with civil society organizations (CSOs) and the private sector. The International Financial Assistance Act, passed in December 2018, newly grants either the minister of foreign affairs or the minister for international development the authority to take repayments and re-appropriate profits from sovereign loans, innovative financing mechanisms, and climate change programs—a function previously not available to ministers in the department.

At a country and regional level, GAC's geographic branches set the agenda in terms of managing existing programs and allocating funding. Canada's embassies provide input on project development and assist in monitoring projects. Under PM Trudeau, ambassadors and high commissioners (or consulars where relevant) enjoy a certain degree of autonomy. However, major projects usually require approval by the Office of the Minister of International Development and La Francophonie, who can approve programs up to CAD20 million (US\$15 million) at her own discretion. Programs with a budget beyond this

limit require approval from the Cabinet's Treasury Board. The minister of international trade diversification, Jim Carr, works with the ministers of finance and international development and la Francophonie on development finance issues. The Department of Finance, currently headed by Bill Morneau (Liberal Party), manages core contributions to—and Canada's relations with—the World Bank, in consultation with GAC.

- Parliament** in Canada is composed of the House of Commons, the Senate, and the Monarch of the United Kingdom (represented by the Governor General). Within the House of Commons, Standing Committees review government policies in specific areas. The Standing Committee on Foreign Affairs and International Development (FAAE) supervises the operations and management of GAC. During parliamentary debate of the budget, the FAAE holds hearings with the minister of international development and la Francophonie. However, amendments to GAC's budget lines are unlikely under a majority government like the current one (see Key Question 5: 'What are important milestones in Canada's annual budget process?'). The House of Commons Standing Committee on Finance (FINA) is responsible for budgetary policy, including Canada's development assistance
- Civil Society:** CSOs are invited to submit suggestions on the annual budget and occasionally consulted in the run-up to other major foreign policy decisions (i.e., the Feminist International Foreign Policy). FINA invites CSOs, the public, and other stakeholders to submit suggestions by August each year on the next year's budget as part of a pre-budget consultation process. The Development and Humanitarian Assistance Civil Society Partnership Policy, released in 2016, outlines the guiding principles and objectives underlying the government's engagement with CSOs in alleviating poverty and delivering humanitarian assistance. GAC convenes CSO representatives annually to discuss the implementation of this policy.

Beyond these key decision makers, there are important fora in which development discussions and policy decision-making occur. The International Development Research Centre (IDRC), headed by President Jean Lebel, is a key vehicle of Canada's development cooperation, and is mandated to support research, tools, and leadership to address development problems. The government ap-

points the board, which along with the Centre Management Committee guides the direction of the center. The Management Committee includes four regional directors and directors from main program focus areas.

**Export Development Canada (EDC)**, Canada’s state-owned export credit agency, is mandated to support trade between Canada and other countries and promote Canada’s competitiveness in the international marketplace. Currently led by Mairead Lavery, EDC is mandated to support trade between Canada and other countries and promote Canada’s competitiveness in the international marketplace.

In 2018, the Canadian government created **FinDev Canada**, a development finance institution, capitalized with CAD300 (US\$231 million). FinDev Canada is a wholly owned subsidiary of EDC and aims to be financially sustainable by generating returns on loans and investments while producing favorable economic and social impacts in the communities where its clients operate. It is currently managed by Paul Lamontagne. Its chief investment officer is Suzanne Gaboury. So far, it has made a US\$20-million investment in Climate Investor One’s (CIO) Construction Equity Fund to support the transition to renewable energy in emerging markets, as well as a US\$10 million investment in M-KOPA, a leading Kenya-based solar energy company.

CANADA'S DEVELOPMENT COOPERATION SYSTEM

