

KEY QUESTIONS

the big six

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How is Canada's ODA budget structured?

IAE is the primary ODA budget tool; new funding being raised through innovative tools

The main budgetary tool that funds development assistance in Canada is the International Assistance Envelope (IAE); it funded 84% of Canada's total international assistance in 2017-2018 (and 90% of all assistance managed by GAC).

According to Budget 2019, in FY2019-2020 Canada's IAE will be CAD5.7 billion (US\$4.4 billion). CAD3.4 billion (60%) will be dedicated to support Canada's core development programs. Other key areas of funding are humanitarian assistance (CAD788 million, 14%) and international financial institutions (CAD777 million, 14%), which includes core contributions to the International Development Association (IDA). Generally, around 95% of the IAE is ODA-eligible, and it is steadily increasing in volume. Budget 2018 put forward an additional CAD2 billion (US\$1.5 billion) incrementally over five years to the IAE, while Budget 2019 announced an additional CAD700 million in 2023-24 to the IAE.

In FY2017-2018 (the latest year for which government budget data is available), the largest share of Canada's international assistance (72%, or CAD4.4 billion of CAD6.1 billion) was managed by GAC. Other relevant actors in ODA spending include Immigration, Refugees and Citizenship Canada and Provinces at 11% of funding to provide health care and financial assistance to refugees arriving Canada, and the Department of Finance(9%). The Department of Finance mainly manages Canada's relationship with the World Bank Group and is responsible for delivering official debt relief. Canada's International Development Research Centre (IDRC) managed 2% of funding, and the other 6% was picked up by other departments and provinces, territories and municipalities, which includes FinDev Canada.

Budget 2019 announced the creation of a new report on Canada's international assistance for 2018-2019, which for the first time will reconcile 2018-2019 IAE allocations presented in the 2-18 budget with actual 2018-2019 IAE expenditures.

Overview:

Budget FY2018/19, in millions	CAD	US\$
International Assistance Envelope	5,747	4,427
Core Development	3,439	2,649
International Financial Institutions	777	599
International Humanitarian Assistance	788	607
Peace, Security and Governance	407	314
Crisis Pool	200	154
Strategic Priorities Fund	136	105

Source: Budget 2018 – Equality + Growth: A Strong Middle Class