

KEY QUESTIONS

the big six

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How is the Canadian ODA budget structured?

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

The main budgetary tool that funds development assistance in Canada is the International Assistance Envelope (IAE). According to Budget 2018, in FY2018/19 Canada's IAE will amount to CAD5.6 billion (US\$4.2 billion). The largest share of the funding will be allocated to the core development programs (56%). Other key areas of funding are international financial institutions (14%), such as core contributions to the International Development Association (IDA), and humanitarian assistance (13%). The IAE includes new funding for 2018 of CAD200 million (US\$151 million). These new resources will be mainly dedicated to support Canada's core development programs. This is part of the government's proposal to provide an additional CAD2 billion (US\$1.5 billion) over five years to the IAE. This increase will be done incrementally, with an additional CAD100 million added each year after the CAD200 million first-year increment in 2018/19.

In 2018, Canada aims to increase its use of innovative financing mechanisms by allocating CAD1.5 billion on a cash basis over five years, starting 2018-19 (US\$1.1 billion). This funding will be divided among two new measures: the International Assistance Innovation Program (CAD873 million, or US\$659 million over five years) and the Sovereign Loans Program (CAD627 million, or US\$473 million over five years). These two new measures will complement Canada's core development activities by leveraging the use of guarantees, equity, and repayable contributions. The government expects to double its international assistance provided through innovative tools over the next 5 years, placing Canada as a leader in 'blended financing' for foreign assistance.

In line with Canada's commitment to protecting vulnerable women and girls, the government will provide CAD20 million (US\$15 million) over three years starting 2018-19 to welcome an additional 1,000 refugee women and girls.

Overview:	In millions	
Budget FY2018/19	CAD	US\$
International Assistance Envelope	5,556	4,192
Core Development	3,104	2,342
International Financial Institutions	777	586
Humanitarian Assistance	738	557
Peace & Security	401	303
New Budget 2018 Funding	200	151
Crisis Pool	200	151
Strategic Priorities Fund	136	103

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

Overview: Reallocation to IAE of existing resources FY2018/19	In millions	
	CAD	US\$
Total spending	200	150
New Innovation Program	55	41
New Sovereign Loans Program	2	2
Ongoing Program Funding	143	108

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