

**Pre-Budget Consultations Submission in the Advance of the
2019 Budget**

By: RESULTS Canada

Recommendations

1. That the Government increase Canada's spending on global development and humanitarian assistance over 10 years, through predictable 15% annual increases to the International Assistance Envelope (IAE) in order to contribute our country's fair share to eradicating poverty and fighting inequality.
2. That, in order to maintain Canada's leadership in global health and as part of overall increases to the International Assistance Envelope (IAE), the Government, beginning in 2020, renew funding for women and children's health programming and increase the annual investment by \$400 million per year to a total annual investment of \$1.4 billion.
3. That, in 2019 Canada does its part to ensure a fully funded replenishment of the Global Fund to Fight AIDS, Tuberculosis and Malaria.

Executive Summary

RESULTS Canada is a global movement of passionate Canadians committed to raising their voices to end extreme poverty. For over thirty years our volunteers have harnessed the enormous power of advocacy by engaging with their Members of Parliament and their fellow citizens from all across Canada.

The Committee has invited Canadians to share their priorities for the 2019 budget. We believe that greater investment in international assistance is a strategic investment for Canada and other countries around the world.

To that end, we urge you to prioritize increasing Canada's support for official development assistance (ODA) in the 2019 Federal Budget. Specifically, the Government of Canada must immediately increase our ODA by 15% and plan for comparable increases in coming years in order to contribute our country's fair share to eradicating poverty and fighting inequality.

Recently, Canada hosted the 2018 G7 Summit where Canada made several commitments to addressing global challenges such as pledging \$400 million to the *Charlevoix Declaration on Quality Education for Girls, Adolescent Girls and Women in Developing Countries* and the *Whistler Declaration on Unlocking the Power of Adolescent Girls for Sustainable Development*. An increase in ODA will allow Canada to best act on these commitments and simultaneously work towards the 2030 Agenda for Sustainable Development.

2019 will mark fifty years since Canada led the pledge for wealthy countries to contribute 0.7 percent of their GNI to ODA. However, Canada has still yet to achieve this internationally agreed target and instead ODA is on its way to being at its lowest level in 50 years, at an estimated 0.26 percent of GNI.¹

Canadian leadership in combatting global poverty is both valued by and advantageous to Canadians. In a 2015 study, 94% of Canadians said that it is important to improve health, education and economic opportunity for the world's poorest people.² Through ODA spending, Canada can invest in key global sectors to stimulate economic growth, boost the global labour force, and reduce the treatment and healthcare costs associated with disease and malnutrition.

¹ <https://data.oecd.org/oda/net-oda.htm>

² http://mcic.ca/pdf/Canadian_Perspicitves_on_International_Development_REPORT_OF_RESULTS_-_April_2015_-_FINAL_for_web-2.pdf

What can an increased investment to ODA deliver?

Position Canada as a leader that recognizes that high-impact investments in global health are critical to ending inequity and advancing human and economic progress

End the Tuberculosis (TB) epidemic

Globally, tuberculosis is mainly fought using domestic financing, such as national health budgets. However, not all countries are capable of funding an effective response to TB independently. Therefore, ODA is necessary to fill the gaps.

Canadian ODA primarily funds TB initiatives such as TB REACH and the Global Fund. TB REACH is a program that provides small grants to fund innovative approaches to diagnosing and treating TB patients, who are traditionally lost in the TB care system. The Global Fund is the world's largest international contributor to the fight against TB which has saved over 53 million lives through the provision of resources for TB treatment and programming across the world, to date. Currently the world is facing a \$US 2.3 billion annual gap in funding for TB care and prevention. As a leading and founding donor of the Global Fund, Canada's continued support for a fully funded 2019 replenishment will be essential, to help to close this gap, catalyze other global investments and ensure we meet our 2030 goals of eradicating the TB epidemic.

Even within Canada, TB is a rapidly growing concern, particularly for marginalized populations such as the Indigenous peoples of Canada. Earlier this year, Canada pledged to eliminate TB across Inuit Nunangat by 2030. Diseases like TB do not respect borders and the only way to keep Canadians safe is to continue to invest in health systems and research and development. We cannot be complacent on the threat of pandemics; we must ensure that the health of all people is at the forefront so no one else suffers unnecessarily from a curable disease.

Invest in Global R&D

It is estimated that 700,000 people worldwide die each year because of drug-resistant infections. R&D into diseases of poverty, including drug-resistant strains is woefully underfunded and there are substantial problems in the innovation model for creating new drugs and vaccines. In recent years, Canada has proven its dedication to elevating the role of science in the government and its decisions. Now is the time for Canada to take the lead on improving R&D. By working with Canadian researchers and the Ministers for Innovation and Science, a fully-funded strategy can be developed to enhance Canadian R&D for diseases of poverty.

Position Canada as a leader that recognizes the power and potential of a global youth bulge that is the largest in history

Provide inclusive and quality education

We are standing in the wake of the largest wave of young people in history. With the population under the age of 30 in the most fragile and unstable countries about to spike, far too many of this generation are facing bleak, uncertain futures.

During times of crisis, schools are often the first service to be suspended and the last to resume. There are 75 million children and youth out of school in 35 crisis-affected countries. And in crises, girls are 2.5 times more likely to be out of school, making them vulnerable to violence, discrimination and exploitation.

Yet these young people are inherently powerful and hold the potential to dramatically remake the world for the better, using innovation and creativity to solve society's biggest challenges. If the global community commits to providing quality, long-term education to this generation – especially every girl – possibilities for our collective future could be limitless.

Women with secondary and tertiary education are associated with higher labour force participation and increasing incomes by 2-3 times compared to those without education. Education has profound benefits beyond economic; girls who remain in school are more likely to marry later, less likely to die in pregnancy or childbirth, likelier to have healthier children and more likely to send their own children to school. The societal and economic benefits of education are clear. Every \$1 invested in an additional year of education sees a return of \$10 in earnings and health benefits for people in low-income countries.

Investing in Human Capital

Almost one in every three people around the world have too little to eat or are malnourished—the vast majority of whom live in developing countries.³ As one of the world's largest donors to basic nutrition programs, Canada has been a global leader in supporting critical nutrition programs that reduce child mortality and boost economic growth. Access to quality and nutritious food is fundamental for child survival and development, and can help to tackle inequities like gender discrimination to ensure women and adolescent girls are able to realize their potential and drive change.

Malnutrition can result in stunting (low height for age), impaired cognitive function, a weakened immune system, and significant decreases in future earning power—irreversibly continuing the cycle of intergenerational poverty. The World Bank calculates that malnutrition in all of its forms costs the global economy \$3.5 trillion USD per year, or \$500 USD per person per year. The cost to prevent, however, is a mere \$10 USD per person, per year.

Investing in nutrition can lead to enhanced economic growth through job creation, increased productivity, and resource savings. Children with access to proper nutrition as adults earn 20% more in the labour market and are 10% more likely to own their own businesses.⁴ For every dollar invested toward malnutrition, the cost-benefit ratio for low- and middle-income countries is \$16 and addressing the funding gap would save 3.7 million lives.

Position Canada as a leader that delivers on its commitment to advance a feminist agenda that supports women and girls – at home and abroad.

Invest in women and children's health

Global leaders have begun to recognize that in our increasingly interconnected world we must use global approaches to address global problems. Immunization is one of the most cost-effective interventions in public health and development. It is calculated that in the world's 94 low and middle-income countries, investment in vaccines has a 16-fold return. If global vaccination coverage were to improve, an estimated 4.5 to 5 million deaths could be prevented every year. Canada's investments in Gavi the Vaccine Alliance ensures that fewer and fewer children die from preventable diseases.

³ <https://www.wfp.org/hunger/stats>

⁴ <https://www.results.org.uk/sites/default/files/wp-content/uploads/2013/04/Key-messages-designs-FINAL1.pdf>

As one of the first investors and a long-time supporter of the Global Financing Facility (GFF), Canada has contributed to improving health and nutrition for women, children and adolescents around the world. The GFF acts a catalyst in global health and nutrition by using innovative financing to leverage funding from a variety of resources. In the first replenishment of the GFF Trust Fund this November, the GFF aims to mobilize additional funds to expand their work to the 50 countries that are most in need. To achieve this, the GFF requires support from major contributors, like Canada, who have been there from the start and helped make the GFF what it is today. By increasing ODA to support the GFF, countries like Canada are not only funding reproductive, maternal, newborn, child, adolescent health and nutrition (RMNCAH+N) in the most effective way and to those with the highest unmet need; they are also enabling a shift from country dependency on development aid to using development aid catalytically to mobilize additional domestic and private resources.

Water, Sanitation and Hygiene (WASH)

At the current rate of progress, many countries will not provide all of their population with even basic water and sanitation services by 2030, let alone the safely managed WASH services that are the goal of SDG 6. Lack of WASH can impact Gross Domestic Product by up to 7% and blocks women and girls from an education, earning an income and more. Whilst the issue of toilets and use of water for personal and domestic purposes is intensely personal, it is also very closely connected to issues of power, inequality, development and social justice. It can be life giving and life taking. Pervasive gender inequalities combined with social and biological requirements make the lack of access to water, sanitation and good hygiene even more acute for women and girls. Urgent action on WASH, including menstrual hygiene is required as a vehicle for reducing gender inequalities and promoting gender justice, full participation, and respect for the dignity and health of women and girls worldwide. Canada's Feminist International Assistance Policy paired with increased ODA contributions in this area can help to address these gaps.

Conclusion

While the current government has made a commitment to refocusing Canada's aid on the poorest and most vulnerable, including women and girls, Canada's ODA still represents a small portion of our budget. The amount allocated for ODA in the federal budget does not adequately reflect Canada's commitment to achieving the SDGs by 2030. Moreover, a renewed promise to leadership in international development is necessary to foster the collaborative global partnerships that will allow Canada to meet its strategic goals, including winning a non-permanent seat on the UN Security Council. To achieve this, Canada must increase its ODA in Budget 2019.

Thank you for the opportunity to contribute to the 2019 pre-budget consultations. We would welcome the opportunity to present our recommendations before the Standing Committee on Finance's pre-budget consultation hearings.