Canada, the G7, and International Development

January 2018
# Table Of Contents

3  Abbreviations
3  Acknowledgements
4  Executive Summary
5  The Group of 7
7  G7 Leaders’ Summit 2018
10  International Development Assistance
12  G7 Commitments to International Development Assistance
14  Canada’s International Development Assistance
17  Canada’s G7 Leadership on International Development
19  Civil Society Engagement
21  Recommendations
23  Conclusion
24  Appendices
28  Bibliography
Abbreviations

G7       Group of 7
G8       Group of 8
G20      Group of 20
SDGs     Sustainable Development Goals
OECD     Organization for Economic Cooperation and Development
DAC      Development Assistance Committee
ODA      Official Development Assistance
HDI      Human Development Index
FDI      Foreign Direct Investment
IFI      International Financial Institution
IMF      International Monetary Fund
GDP      Gross Domestic Product
GNI      Gross National Income
FIAP     Feminist International Assistance Policy
IAE      International Assistance Envelope
DFI      Development Finance Institute
NGO      Non-governmental organization
CCIC     Canadian Council for International Cooperation
MNCH     Maternal, Newborn, and Child Health
C7       Civil 7

Acknowledgements

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This report was produced in January 2018. For updated information on Canada’s G7 Presidency and events, please see g7.gc.ca.
Executive Summary

As the 2018 G7 Leaders’ Summit approaches, all eyes are on Canada, the G7 President, to set the agenda and drive momentum on key issues amongst world leaders.¹ Prime Minister Justin Trudeau will host the Leaders’ Summit from June 8-9, 2018 in Charlevoix, Quebec.² In the past, this occasion has been marked by major announcements on the strategic priorities of host countries, including international development commitments. The coverage and attention paid to these announcements domestically and internationally has provided civil society with space to strategically advocate on relevant issues. In short, this report will examine Canada’s commitments and action on international development assistance leading up to its year-long G7 presidency. It will analyze expectations for the 2018 G7 priorities, past commitments to international development assistance (both from the G7 and Canada specifically), and Canadian civil society engagement. The report will conclude with recommendations on how civil society can use the G7 to engage with the Canadian government and advocate on international development assistance.

¹ The G7 and G8 will be used interchangeably throughout this report.
The Group of 7

The G7 is an informal bloc of the world’s most industrialized countries (Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States) that convenes to discuss and build consensus on the world’s most pressing economic, political, environmental, and security challenges. Together, the G7 members account for almost 50 per cent of the global economy, down from approximately 70 per cent three decades ago.\(^3\) Apart from establishing commitments on key issues, the G7 defines new issues, sets priorities, and provides guidance to international organizations. The G7 also acts as a forum for building personal relationships between leaders, which helps them effectively cooperate in times of crises.\(^4\)

The G7 presidency rotates annually among member states, and is responsible for setting the agenda, arranging the logistics of meetings, and hosting gatherings. The first summit was held in November 1975 in Rambouillet, France, with six participating countries (France, the United States, Britain, Germany, Japan, and Italy). This summit and the creation of the G7 was a response to the global economy’s first oil shock and subsequent financial crisis.\(^5\) The United States extended an invite to Canada to the San Juan Summit in 1976. The European Union attended the London Summit in 1977, was officially integrated in 1981, and is now represented by both the President of the European Council and the President of the European Commission. Russia partially joined discussions in 1989 at the Paris Summit, and was fully integrated with what was now the G8 at the 1998 Birmingham Summit.\(^6\) Russia’s annexation of Crimea in 2014 sparked a response from the G7 leaders, who collectively decided not to attend the scheduled 2014 Sochi Summit hosted by Russia. Instead, the leaders met in Brussels on the same weekend, marking a clear shift back to the G7.\(^7\)

The annual G7 Leaders’ Summit typically ends with a final communiqué, which is a list of non-binding commitments that each country is expected to implement. Commitments typically address macroeconomics, international trade, and development. More recently, commitments have broadened to focus on the environment, energy, security, terrorism, human rights, and microeconomic issues. Country leaders appoint representatives, called Sherpas, who meet throughout the year to discuss G7 progress and develop policy initiatives.\(^8\) Ministerial meetings are also a key aspect of the G7, where ministers meet intermittently to discuss pressing issues, create working groups, and work on the commitments made at yearly summits.

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6 G7 Research Group, “What Are the G7 and G8?”
7 Ibid.
8 Laub, Zachary and McBride, “The Group of Seven (G7).”
Proponents of the G7 highlight the group’s collective decision-making on the world’s most pressing challenges, while critics focus on the lack of compliance, declining influence, exclusion of important powers, and the summit’s expensiveness. Many analysts have noted the G7’s decline in influence over the years. According to Ian Bremmer, president of the Eurasia Group, “As new players have emerged in recent decades, the global power balance has shifted, leaving the G7 representative of a smaller piece of the pie. Any organization that does not include China, for example, is not truly global.” Consequently, many believe the G20 is the premier forum for discussing world issues. The G20 emerged in response to the 2008 financial crisis and includes emerging powers such as China, Brazil, Mexico, India, South Africa, and Russia (see Appendix 1: The G7, G8, and G20 Member Countries). The G20 countries comprise 80 per cent of the global GDP and approximately two-thirds of the world’s population. Other groups, such as the Council of Canadians, has urged the G7 and G20 summits to meet instead in the G193, otherwise known as the United Nations General Assembly. The G7 has also come under fire for its high price tag for summits. In 2010, Canada spent approximately US$290 million on the G7 Summit. One of the highest G7 Summit costs was by Japan in 2000, with $734 million spent.

More recently, the rise of nationalism, more specifically the election of United States President Donald Trump, has destabilized G7 unity on a number of issues, most notably trade and climate change. At the 2017 Taormina Summit in Italy, the six-page communiqué, compared to the previous year’s 32-page communiqué, pointed towards deep divisions driven partly by Trump’s divergent views on trade, migration, and the environment. When the G7 environment ministers issued a communiqué, the United States refused to reaffirm the Paris commitments, instead declaring the country is taking its own action to combat climate change. Subsequently, some countries made clear their frustration towards the Taormina Summit. At a political rally in Germany, Angela Merkel asserted, “The times in which we can fully count on others are somewhat over, as I have experienced in the past few days.” What does it mean for the future of the G7, when one country clearly alludes to the coalition’s decline in efficacy? The group was founded as a collection of like-minded, democratic countries, yet the 2017 summit has been described as “the G6 plus 1.” According to Canadian G7 Sherpa Peter Boehm, however, “The G7 is a collective, not a global government. Yes – we’re going to have differences – we wouldn’t be having

9  Ibid.
15  Ibid.
these meetings if we all agreed on everything.”16 Evidently, the G7 is more than a forum to build consensus – it is also meant to stimulate meaningful discussion and build trust between world leaders.

Compliance with the commitments made at the G7 is modest, as outlined by the annual G7 Compliance Reports developed by the G7/G8 Research Group at the University of Toronto.17 There are limits to how often and how thoroughly G7 countries comply with their commitments, particularly given each country’s sovereignty, autonomy, domestic constraints, and conflicting international demands. Therefore, it is important that commitments are measured and monitored once Summits conclude and leaders have returned to their home countries. Since 1996, the G7/G8 Research Group has produced and published annual compliance reports of the progress made by G7/G8 countries. They provide policy makers, civil society, academia, and the media with transparent and accessible information. Accountability and scorekeeping mechanisms from NGOs and civil society are complemented by certain countries’ own accountability reports, initiated with the 2010 Muskoka Accountability Report and continuing annually thereafter.18 Despite its criticisms, the G7 is here to stay for the foreseeable future, and is an essential forum for dialogue.

G7 Leaders’ Summit 2018

From June 8-9, 2018, Canada will host its sixth G7 Leaders’ Summit in Charlevoix, Quebec. The expected leaders include President Emmanuel Macron (France), Chancellor Angela Merkel (Germany), Prime Minister Shinzō Abe (Japan), President Theresa May (United Kingdom), President Donald Trump (United States), European Union Commission President Jean-Claude Junker, European Union Council President Donald Tusk and the new leader of Italy (elections will be held March 2018).

Hosting the summit is an opportunity for Canada to deliver on Prime Minister Trudeau’s mantra, “Canada is back,” by strengthening its reputation as a global leader.19 Prime Minister Trudeau’s Sherpa and deputy minister for the G7 summit is Peter Boehm. Boehm was previously the Deputy Minister of International Development, Senior Associate Deputy Minister of Foreign Affairs, and Ambassador to Germany. He is the second-longest serving Sherpa, as he previously worked for Prime Minister Steven Harper on G7 and G8 summits.20 In a Facebook live event on December 14, 2017, Trudeau and Boehm announced the five themes that will underscore Canada’s G7 presidency. The five themes and the rationale behind each of their focus is outlined below.21

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20 Tsalikis, “The Road to Charlevoix: What to Expect from Canada’s G7 Presidency.”
1. **Investing in growth that works for everyone:**
   “Investing in people, our community and the economy creates growth. Building a system that is fair and open and ensuring that all citizens have the support, resources and confidence they need to succeed will create jobs and growth that will benefit everyone.”

2. **Preparing for jobs of the future:**
   “We need to help everyone get the skills they need to find and keep good jobs – not just today, but in tomorrow’s economy as well.”

3. **Advancing gender equality and women’s empowerment:**
   “Advancing gender equality and the empowerment of women isn’t just the right thing to do, it’s also the smart thing to do for our economies. When women and girls succeed, we all succeed. The importance of gender equality and empowerment will be woven through all of our themes and activities, to ensure that we are being truly inclusive as we advance our priorities.”

4. **Working together on climate change, oceans, and clean energy:**
   “It is more urgent than ever that the world comes together to fight climate change, including by investing in clean energy and developing innovative clean technologies. We also need to protect vulnerable ecosystems and manage limited resources properly. That’s why Canada’s G7 will also focus on oceans, both as a precious part of our natural heritage and as a source of sustainable economic opportunity.”

5. **Building a more peaceful and secure world:**
   “As the nature of conflict changes, it’s more important than ever before to reach out to our partners and build solutions that can deliver lasting peace. That’s something we all want, and something we’ll work hard to achieve. Our kids and grandkids deserve nothing less.”

Notably, gender equality and women’s empowerment will be a cross-cutting theme and integrated into the four other pillars. These themes, which have been approved by G7 countries, have been part of previous summits, but what will differentiate Canada’s G7 leadership is how it approaches these areas, perhaps with new mechanisms, funds, institutions, partnerships, or challenges to other G7 countries. None of these themes are unexpected, as Trudeau has emphasized economic growth, jobs, gender equality, the environment, and peace and security on numerous occasions before. The themes are reflective of the Prime Minister’s own goals for Canada and international cooperation, as well as issues that continuously emerge in discussions with non-member countries, international organizations, and civil society.

The key issues covered at G7/G8 summits have followed two major patterns since 2010. Firstly, there are a handful of general issues that always appear on the agenda, including economic issues relating to growth, open markets, trade, job creation, and fiscal austerity vs. spending. Recent summits have also seen the environment and climate change as major agenda items. Secondly, the crises of the day typically dominate discussions. According to a report by the Canadian International Development Platform, this is evidenced by the focus on the “European debt crisis, North Korea, nuclear proliferation, Israel in Gaza (Canada, 2010); Fukushima, European sovereign debt crisis, conflict in Yemen, Libya, Syria (France, 2011); economic crisis in Greece, conflict in Syria (US, 2012); Syria (UK, 2013); Russia’s annexation of Crimea, Ukrainian sovereignty, Iran and North Korea’s nuclear program (EU, 2014); Russia in Crimea,

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22 - 26 Ibid.
Ebola, Iran nuclear deal (Germany, 2015); refugee crisis, North Korea, Russia and Ukraine (Japan, 2016).\textsuperscript{28} Likewise, in Taormina, 2017, security and terrorism dominated the agenda. It is highly likely that the Charlevoix Summit will continue to follow these trends.

Prime Minister Trudeau has expressly stated that the 2018 summit will be “transparent, inclusive, and informed by input from a broad range of perspectives,” which does not stray from the liberal government’s consultative approach to governance.\textsuperscript{29} On December 7, 2017 at the University of Toronto, Peter Boehm participated in a G7 Public Dialogue to hear about issues that are important to Canadians and to “demystify” the G7 process.\textsuperscript{30} Boehm consistently stressed the centrality of gender equality for the summit, explaining that a gender equality expert will be embedded into all working groups, and everything will take a “gender-based analysis plus” approach (i.e. when finance ministers are meeting, they will use gender-based budgeting).\textsuperscript{31} The gender-based analysis plus (GBA+) approach is a tool used to evaluate how diverse groups of people will experience policies, programs, and initiatives. The approach also acknowledges that identity goes beyond sex and gender differences, and acknowledges other identity factors including race, religion, ethnicity, age, and mental or physical disability.\textsuperscript{32} Furthermore, Boehm emphasized that gender equality will go beyond economic empowerment, by directing attention to the social policy side as well.

\textsuperscript{28} Ibid.
\textsuperscript{29} Tsalikis, “The Road to Charlevoix: What to Expect from Canada’s G7 Presidency.”
\textsuperscript{31} Ibid.
If last year’s Taormina Summit was any indication, the US administration will pose challenges to consensus with its ‘America-first’ mentality and their lack of enthusiasm for multilateral groups and institutions. However, Boehm has made public assurances that Trump is “looking forward to coming [and] wants to have a successful summit.”33 Although it is highly doubtful that Trudeau has only selected themes that he is convinced will get buy-in from its southern neighbour, he has strategically positioned the broad themes in ways that might appeal to President Trump. For instance, a focus on oceans will focus “on how to preserve and bolster coastal areas that have been devastated by natural disasters, or face major threats in the future.”34 The Trump administration has approved the focus on the world’s oceans as an agenda item, likely in part due to the recent aftereffects of hurricanes in Texas, Florida, and Puerto Rico.

Once Canada assumes the G7 presidency in January 2018, Trudeau can set the agenda, and propose and push for key initiatives. At the G7 Public Dialogue in Toronto, an audience member asked how ambitious Canada will be in tangible action. Boehm commented that Prime Minister Trudeau is not focused on delivering a large, concrete initiative, but if something gains momentum during discussions with civil society, Canada will want to own it. Consultations will therefore play a massive role in deciding the G7 agenda and priorities. In the months leading up to the G7, Canada will host several G7 meetings that align with the themes, integrating gender equality into every aspect. As Boehm explained, “A lot of this is listening and then feeding it through, but also a chance to demystify what the G7 is.”35

The Trudeau government will have six months to prepare for the Leaders’ Summit beginning January 1, 2018. These six months will include agenda-setting, announcements, public consultations, and ministerial meetings. One way to monitor new G7 developments is to subscribe to the Government of Canada’s email notices about G7 updates.36 The Government of Canada has also created G7 social media pages on Twitter, Facebook, Instagram, Snapchat, and YouTube to post developments and enhance transparency.

International Development Assistance

International development assistance (often referred to as development aid, foreign aid, official development assistance, and international aid) refers to commitments, typically in the form of financial aid, provided by governments and agencies to support economic, social, political, and environmental development. Since 2015, international development assistance has been framed by the adoption of the United Nations Agenda 2030 Sustainable Development Goals (SDGs), as well as other international commitments like the Addis Ababa Action Agenda on development financing and the Paris Agreement on climate change. As such, international development assistance encompasses support for gender equality, the empowerment of women and girls, global health, infrastructure investment, inclusive innovation, economic development, migration and forced displacement, food security, climate change, humanitarian assistance, and governance.

Official development assistance (ODA), as defined by the Organization for Economic Cooperation and Development (OECD), is “the key measure used in practically all aid targets and assessments of aid performance.”37 The G7 countries

34 Ibid.
Engineers Without Borders Canada are the largest development assistance providers globally, accounting for approximately 73 per cent of the OECD-DAC’s ODA in 2016. Therefore, the G7 are in a unique position to contribute to development goals in terms of resources, capacity, and leadership. Further, contributing to international development assistance means making progress on the SDGs, which has the central goal of ending extreme poverty.

The landscape of international development has changed rapidly over the past few decades. The number of low income countries more than halved from 63 in 2000 to 31 in 2015. Extreme poverty has decreased vastly, with the global poverty rate ($1.90 a day) dropping from 35 per cent in 1990 to approximately 11 per cent in 2013. Furthermore, between 1990 and 2015, the under-five mortality rate decreased by more than 50 per cent, 2.1 billion people received improved access to sanitation, and more than 2.6 billion people received improved access to water. The regional upward trends in human development index (HDI) values from 1990 to 2015 are visualized below. Figure 1 shows that the aggregate HDI value of the least developed countries increased 46 per cent between 1990 and 2015.

Figure 1: Regional Trends in Human Development Index Values

Despite these massive successes, challenges persist in terms of deprivations and inequalities in poverty, hunger, health, education, and access to basic social services (see Appendix 2: Development Challenges). The reality is that impressive progress over the past few decades has left many people behind, especially those who are marginalized.

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41 Ibid., 27.
42 Ibid., 26.
43 Ibid., 30.
or vulnerable. It is estimated that between 3 and 7 per cent of the global population will live in extreme poverty in 2030, equating to over 400 million people. Many political, economic, and social barriers that exist for the most marginalized people must be addressed to achieve the SDGs.

Today’s international development efforts are increasingly using non-traditional sources of development finance (South-South cooperation, remittances, private sector, taxation), as well as new approaches by and within developing countries. Multilateral institutions and development banks also play a huge role in international development, with the World Bank being the largest example of this. The World Bank, along with other multilateral institutions, provides resources to support poverty eradication, fill knowledge gaps in policymaking, and mitigate market failures in financing development projects. The G7 countries are the primary shareholders in multilateral banks, meaning they coordinate with these institutions to help direct funding and priorities.

The G20, like the G7, is committed to reducing global poverty through development strategies. However, the G20’s approach to development reflects the diversity of the group. The G20 has “called upon developing countries to establish sound economic and social politics in order to attract foreign direct investment (FDI), and for developed countries to continue supporting international financial institutions (IFIs) such as the World Bank and the International Monetary Fund (IMF), as well as commit to free trade and open markets.” The 2010 Seoul Summit was the first to feature development as a priority of the G20, with its major achievements being the Seoul Development Consensus and the Multi-Year Action Plan on Development. Overall, there have been fewer development commitments made in the G20 versus the G8, though substantial progress has been made on engaging with developing countries and removing obstacles to growth.

G7 Commitments to International Development Assistance

International development has been a pillar of the G7 agenda since its inception in 1975. Most of the G7’s earliest commitments related to financial mechanisms including IFIs, ODA, and private capital investments to increase growth and development. Since then, commitments also linked to international cooperation and coordination for development, development financing, debt relief, FDI, private sector involvement, trade, sustainable economic growth, Africa, and social development (health, education, food, water, gender). A comprehensive list of G7 development commitments from 1975-2009 (406 commitments) can be found in Appendix G of the Accountability Report on Development by the G8 Research Group. Despite this substantial number, the G8 Research Group reported that compliance on development commitments was below the overall average during this period. Figure 2 categorizes the commitments on international development made in more recent Summits.

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44 Bhushan et al., “Responding to the Changing Global Development Context How Can Canada Deliver?”
46 Larionova and Kirton, The G8-G20 Relationship in Global Governance, 89.
48 Ibid., 15.
### Figure 2: G7 Commitments on International Development (2005-2015)

<table>
<thead>
<tr>
<th>Type of Commitment</th>
<th>Examples of Commitments</th>
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</thead>
<tbody>
<tr>
<td>Aid and Aid Effectiveness</td>
<td>Increasing Development Assistance (Gleneagles, 2005 and Elmau, 2015)</td>
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<td></td>
<td>Development Effectiveness (Gleneagles, 2005 and Lough Erne, 2013)</td>
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<tr>
<td>Economic Development</td>
<td>Remittances (L’Aquila, 2009)</td>
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<td></td>
<td>Trade and Development (Lough Erne, 2013)</td>
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<tr>
<td></td>
<td>Trade and Infrastructure in Africa (Lough Erne, 2013)</td>
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<td></td>
<td>Responsible Supply Chains (Elmau, 2015)</td>
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<tr>
<td>Health</td>
<td>Strengthening Health Systems (Elmau, 2015)</td>
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<td></td>
<td>Preventing Future Outbreaks (Elmau, 2015)</td>
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<td></td>
<td>Setting Up Mechanisms for Rapid Deployment (Elmau, 2015)</td>
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<td></td>
<td>Reforming and Strengthening WHO’s Capacity (Elmau, 2015)</td>
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<td></td>
<td>Antimicrobial Resistances (Elmau, 2015)</td>
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<td></td>
<td>Maternal, Newborn, and Child Health (Muskoka 2010)</td>
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<tr>
<td></td>
<td>Prevention and Treatment for HIV/AIDs (Muskoka 2010)</td>
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<tr>
<td>Water and Sanitation</td>
<td>Water Action Plan Agreed at Evian (Gleneagles, 2005 and L’Aquila, 2009)</td>
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<td></td>
<td>Africa-G8 Partnership on Water and Sanitation (L’Aquila, 2009)</td>
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<td>Food Security</td>
<td>L’Aquila Food Security Initiative (L’Aquila, 2009 and Camp David, 2012)</td>
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<tr>
<td></td>
<td>New Alliance for Food Security and Nutrition (Camp David, 2012)</td>
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<tr>
<td>Education</td>
<td>Global Partnership for Education (Heiligendamm, 2007)</td>
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<tr>
<td>Equality</td>
<td>Sexual and Reproductive Health and Reproductive Rights (Brussels, 2014)</td>
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<td></td>
<td>Technical and Vocational Education and Training for Women and Girls (Elmau, 2015)</td>
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<tr>
<td>Governance</td>
<td>G8 Anti-Corruption Initiatives (L’Aquila, 2009)</td>
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<td></td>
<td>Extractive Industry Transparency Initiative (Lough Erne, 2013)</td>
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<td></td>
<td>Strengthening Assistance for Complex Contract Negotiations (Brussels, 2014)</td>
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<td></td>
<td>Tax Capacity Building (Lough Erne, 2013)</td>
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<td></td>
<td>Land Transparency (Lough Erne, 2013)</td>
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<td></td>
<td>Formed Police Units (Hokkaido Toyako, 2008; Heiligendamm, 2007; Muskoka, 2010)</td>
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<tr>
<td>Environment and Energy</td>
<td>Energy Infrastructure in Africa (Brussels, 2014)</td>
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<td></td>
<td>Climate Risk Insurance (Elmau, 2015)</td>
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<td></td>
<td>Renewable Energy (Elmau, 2015)</td>
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For a full list of commitments, see Annex A of the 2016 Ise-Shima Progress Report on Development (pages 155-163). A pivotal summit for international development was the 2005 Gleneagles Summit (United Kingdom). This summit culminated in a debt cancellation package, which included $40 billion for the highly indebted poor countries, as well as a pledge to increase aid to developing countries by $50 billion over 5 years (‘doubling aid to Africa’). At Gleneagles, Canada also announced its commitment to ‘double aid to Africa‘ in 5 years from CAD$1.04 billion, a target that was impressively achieved in 2008-2009 with CAD $2.16 billion. This is widely seen as the most successful and productive set of commitments on development in recent years, with one quarter of all discussions relating to development, which was not equally paralleled in subsequent summits.
Notable financial commitments towards international development assistance have been made in recent years. Starting with 2011 Deauville Summit (France), the G8 pledged over 2 billion Euro in support of Arab Spring Countries, and additional support for Tunisia and Egypt. In the 2012 Camp David Summit (United States), the G8 announced the New Alliance for Food Security and Nutrition with African leaders and the private sector. At the 2013 Lough Erne Summit (United Kingdom), the G8 dedicated $1.5 billion to meet humanitarian needs in Syria. At the 2014 Brussels Summit (Belgium), the G7 announced the launch of Strengthening Assistance for Complex Contract Negotiations (CONNEX) to provide developing countries with expertise for negotiating complex commercial contracts. At the 2015 Schloss Elmau Summit (Germany), the G7 committed to ending extreme poverty by 2030, and to lifting 500 million people out of hunger and malnutrition. Finally, at the 2016 Ise-Shima Summit (Japan), the G7 pledged $1.1 billion for health systems strengthening and public health emergency preparedness. At the 2017 Taormina Summit, the Health Ministers’ Communique, United Towards Global Health, underscored greater respect and protections for sexual and reproductive rights.

Development has been underscored somewhat less in the past couple summits, for a number of reasons. Aid target fatigue has become a major issue, referring to countries that withhold development financing due to financial constraints post-financial crisis, as well as an increasing sense that developing countries want to move away from aid focused relationships. The reluctance to commit to international development assistance also stems from evidence that donors routinely miss targets. While explicit commitments to international development assistance have decreased, elements that overlap with development have been highlighted. Beginning at the 2016 Ise-Shima Summit, gender issues began to appear on the agenda more often. In 2017 at Taormina, the G7 agreed to take strong and comprehensive action by establishing the G7 Roadmap for a Gender-Responsive Economic Environment. Canada will certainly build on the process of gender equality during its presidency, but will hopefully also use its opportunity as G7 President to improve its record and leadership on international development assistance.

Canada’s International Development Assistance

In Canada, international development assistance encompasses financial resources provided by all levels of the Canadian government, with the International Assistance Envelope (IAE) being the government’s primary budget for international development initiatives. Multiple departments or agencies within in the Canadian government deliver ODA, with the largest being Global Affairs Canada (see Appendix 3: Canada’s International Development Assistance 2014-2015). Canada’s international development portfolio is led by the Minister of International Development and La Francophonie, the Honourable Marie-Claude Bibeau. Her mandate is “to refocus Canada’s international assistance on helping the poorest and most vulnerable people and on supporting fragile states.”

Canada’s ODA has been on a negative trajectory in recent years. According to AidWatch Canada and the Canadian Council for International Cooperation (CCIC), ODA fell from approximately CAD$5.5 billion in 2011 to CAD$4.8 billion in 2013-2014. In 2014-2015, it increased to CAD$5.7 billion, but this was inflated by one-off payments to the World Bank’s International Development Association and a loan to Ukraine. The most recent reports from the OECD state that the share of Canada’s budget devoted to international development assistance has declined to 0.26 per cent of the country’s GNI.

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54 Bhusha, Calleja, and Awadallah, “G7 and Development.”
57 “Net ODA.”
The IAE is a more accurate measure of Canada's commitment to international development. The IAE differs from non-IAE funding, which includes things like settling refugees. As such, the in-donor country costs of resettling refugees “overstates the increase to Canadian ODA without any commensurate increase to the IAE.” Instead, the IAE has remained stagnant in recent years, as shown in Figure 3.

### Figure 3: International Assistance Envelope 2011-2016

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<tr>
<td>Projected International Assistance Envelope announced in Budget 2012</td>
<td>$5,000</td>
<td>$4,819.3</td>
<td>$4,757.9</td>
<td>$4,622.4</td>
<td>$4,622.4</td>
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<tr>
<td>Actual International Assistance Envelope</td>
<td>$4,981</td>
<td>$4,646</td>
<td>$4,392</td>
<td>$5,163</td>
<td>$4,545</td>
</tr>
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</table>

According to the International Monetary Fund (IMF), Canada's economic growth outpaced all of the G7 countries in 2017, with a GDP growth of 3.0 per cent. The IMF says this growth is largely attributable to reduced drag from lower oil and gas prices, along with favourable government spending and central bank policies (see Appendix 4: G7 Economic Growth Projections). With impressive GDP growth and a strong economy, Canada could have an authoritative voice on economic issues. However, compared to its G7 peers, Canada's spending levels on international development assistance is lowest in absolute or overall volume terms. In relative terms, using the ODA/GNI scale, Canada ranks in the middle of the G7 (see Appendix 5: Official Development Assistance, OECD).

According to Minister Bibeau, the decrease in official development assistance can partly be explained by exchange rates and differences between the fiscal and calendar years. She also emphasized, "What is important to remember is that Canada is contributing more than $5 billion dollars in humanitarian assistance and international development." Historically, Canada's ODA/GNI ratio when it hosts the G7 (as was the case in 2002 and 2010) has been identical to the OECD-DAC average, which is currently 0.32 per cent. Yet, the Canadian government has not prioritized substantial new financial investments that would demonstrate commitment, efficacy, and leadership in its international development goals. If there are not major changes as Canada prepares to host the G7, the Trudeau government could end its first mandate with the lowest GNI ratio in Canadian history.

Consultations have resolved that Canadians generally want to see changes in Canada's approach to international development assistance. In Budget 2016, there was a commitment that Budget 2017 would be informed by the International Assistance Review. Additionally, the Standing Committee on Foreign Affairs and International Development released a report in November 2016 that called on the government to spend 0.35 per cent of GNI by 2020 on ODA, and to reach 0.7 per cent by 2030. Lastly, the Global Affairs Canada report, “What We Heard,” affirmed Canadians want the government to increase ODA and move towards the 0.7 per cent target for ODA. However, Budget 2017 included no new increases to the Canadian international assistance budget, despite the government’s year of consultations as part of the International Assistance Review. Instead of following up on consultations and commitments with increased funding, the Trudeau government has predominantly shifted existing money to different development initiatives. One of the only increases to the IAE under the Trudeau government is its CAD$256

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60 Ibid., 1.
million subscription to join the Asian Infrastructure Investment Bank.\textsuperscript{64}

At the same time, Canada’s new Feminist International Assistance Policy (FIAP), released in June 2017 after one year of consultations with Canadians, represents a shift in the way the country contributes to global development and humanitarian assistance. The new policy takes a human rights-based approach and places a strong emphasis on gender equality and the empowerment of women and girls. In the FIAP, Canada aims to commit “no less than 50 per cent of its bilateral international development assistance” to sub-Saharan Africa.\textsuperscript{65} It also announced a new five-year CAD$150 million fund to “support local women’s organizations and movements that advance women’s rights in developing countries.”\textsuperscript{66} In addition to the commitments in the FIAP, Trudeau announced in March 2017 that CAD$650 million will be provided in support of women’s sexual and reproductive rights over three years.

This is problematic for achieving the broad and numerous SDGs, meaning the Canadian government will need to clarify and narrow their priorities. According to Minister Bibeau, the international community needs to raise between $5 and $7 trillion to meet the SDGs by 2030. To get the ball rolling, Minister Bibeau has stated, “We really need to think about innovative financing and not only thinking about traditional ODA. We are working on it and you’ll see in the coming year that we will be putting a lot of emphasis on new ways to finance and new partners.”\textsuperscript{67}

The first steps towards this were seen in May 2017, when Prime Minister Trudeau and Minister Bibeau announced the establishment of the Canadian Development Finance Institute (DFI), along with a funding commitment of $300 million over five years. Global Affairs Canada said the new institute will “enable partnerships with small and medium enterprises from the private sector. It will mobilize its resources and expertise to promote inclusive green economic growth, while promoting the involvement of women and young entrepreneurs in achieving sustainable development objectives.” This announcement brings Canada up to speed with the rest of the G7 who have established DFIs.

\begin{itemize}
\item \textsuperscript{64} Bhusha, Calleja, and Awadallah, “G7 and Development.”
\item \textsuperscript{66} Ibid.
\item \textsuperscript{67} Sevunts, “Canada’s Official Development Assistance Shrinks: OECD Report.”
\end{itemize}
Canada’s DFI demonstrates a commitment to stimulating private sector investment and using innovative funding mechanisms to drive international development. Notably, the DFI is meant to complement the ODA, not reduce it.

Accountability is vital when it comes to international development commitments. The Official Development Assistance Report to Parliament and the Statistical Reports on International Assistance are both key accountability mechanisms on how the Canadian government executes its international development assistance. Civil society organizations also monitor and promote commitments made by the government. In fact, the Canadian government has highlighted the centrality of civil society to international assistance in Canada’s Policy for Civil Society Partnerships for International Assistance – A Feminist Approach.68

However, the Canadian government does not always make it easy for civil society to monitor compliance. In recent years, the government’s refusal to disclose the IAE in advance of the oncoming fiscal year has made it difficult to conduct timely analysis. Notably, the Feminist International Assistance Policy commits to disclosing the IAE annually, though it does not stipulate a timeline. Civil society groups have posited that early disclosures will enhance accountability and allow the tracking of aid effectiveness.69 Canada’s momentum on international development assistance in 2017 suggests that there will continue to be a clear emphasis on gender equality, and specifically the empowerment of women and girls. The government is also clearly moving towards alternative financing mechanisms separate from ODA, perhaps linked to the private sector and innovative modes of development financing.

### Canada’s G7 Leadership on International Development

At the most recent G7 Summits hosted by Canada in 2002 and 2010, several notable commitments have been made on international development assistance. The 2002 Kananaskis Summit, hosted by Canada, dedicated over half of its commitments to development. One of its most substantial commitments was the G8 Africa Action Plan, which consisted of a CAD$500 million commitment. Additionally, CAD$100 million was provided for the “Canada Investment Fund for Africa,” which aimed to use public funds to leverage private capital for development.70

One of the largest international development pledges made by Canada was at the 2010 Muskoka Summit, spearheaded by former Prime Minister Steven Harper. Harper explicitly made development one of the themes of this summit. In what was called the Muskoka Initiative on Maternal Newborn and Child Health (MNCH), the G7 pledged approximately $5 billion over 5 years. This was led by Canada’s CAD$1.1 billion in new funding over 5 years, as well as its existing CAD$1.7 billion. This became Canada’s flagship development priority and led to the creation of other development programmes and efforts.

The Muskoka Initiative received heavy criticism for narrowing the scope of maternal and newborn child health, by refusing to finance family planning or abortion.71 Consequently, Canadian non-governmental organizations (NGOs) that wanted MNCH support from the government had to stay silent on issues that were vital to MNCH, namely sexual and reproductive health. Furthermore, MNCH has been criticized for its almost exclusive focus on mothers and

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70 Bhusha, Calleja, and Awadallah, “G7 and Development.”

motherhood, often treating women as victims and objects of development assistance rather than active agents in the design and implementation of development programs. However, according to the 2016 Ise-Shima Summit report, all the G7 members have successfully achieved the commitments established for MNCH in 2010.

Progress on international development assistance is uncertain in the 2018 G7 agenda. International development assistance is typically discussed at the G7, but not always with financial commitments. Re-announcements are common during summits, due to the high-profile nature and media attention. Boehm’s comments on avoiding focusing on large initiatives means we should not expect a huge commitment like the MNCH at Muskoka. Instead, given the five themes, we should expect discussion on a rights-based, feminist approach to international development assistance, with a focus on women and girls and women’s economic empowerment. Perhaps this will be accompanied by narrower, small-scale initiatives or announcements. Aside from the five main themes, there have been reports of transversal themes that cover multiple issues, such as development financing, which the respective Ministers will gather to discuss. This might be an avenue for the government to appear active on financing development without necessarily increasing ODA.

Further, if Canada is to deliver commitments on international development assistance, they will likely reflect a changing international development context. Some of these trends include less traditional ODA, fewer aids recipients, fewer individual humanitarian interventions, and fewer aid ministries and agencies. Instead, there have been emphasis shifts to knowledge sharing and technical assistance, a greater focus on fragile low and middle income countries, increased demands for integrated relief and development in protracted crises, and more specialist multilateral channels and cross-governmental approaches. Traditional development assistance has also become increasingly domestic, and has increasingly been directed towards refugee costs and humanitarian assistance.

The Trudeau government signed on to the SDGs in 2015 and has embraced the goal of ending extreme poverty.

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73 “Ise-Shima Progress Report: G7 Accountability on Development and Development-Related Commitments,” 2.
However, a number of social, economic, and political factors will likely influence the ability of Canada to increase its leadership on international development. For instance, during the Taormina Summit in 2017, international development assistance was overshadowed by peace and security issues. Strong leadership from Canada is needed to refocus attention on international development assistance, and civil society actors are well-positioned to lobby the government on these issues.

Civil Society Engagement

The G7 has not always been an opportunity for constructive dialogue between governments and civil society groups. When the G7 broadened its agenda beyond economic development to include sustainable development in 1984, this increased the potential for civil society groups to lobby the G7 on more diverse issues. Civil society and NGOs were mentioned for the first time in the 1995 G7 communiqué, signalling a shift in recognition towards civil society’s critical role in international development. Civil society organizations now hold a crucial advocacy role, mobilize different sectors of G7 societies, and promote and monitor the commitments made by G7 leaders. Japan has played a particularly key leadership role for integrating civil society with the G7. At the 2000 Okinawa summit, Japan was the first country to formally establish a space for civil society engagement. Similarly, Japan invited over 100 NGOs to the Ise-Shima Summit in 2016.

Civil society advocacy has demonstrated successes, most notably in health commitments. Commitments made to eradicating neglected tropical diseases, polio, AIDs, tuberculosis, and vaccine-preventable diseases have seen significant progress towards achieving the goals set out at G7 summits. Since the Global Polio Eradication Initiative’s launch in 1988, cases of polio have dropped by 99 per cent. G7 countries also drastically increased contributions to the Global Fund and Global Vaccine Alliance. These successes demonstrate the power of civil society to enhance accountability and increase collaboration in issue-specific challenges.

According to Peter Boehm, the Canadian government is keen on broader consultation with civil society for the 2018 summit. The first Sherpa meeting will be at the Perimeter Institute in Waterloo, Ontario from January 30-31. This will be an opportunity to engage with the Sherpas on key issues. The Sherpas are also supportive of a Civil 7 (C7), ideally held in Ottawa, though the level of political engagement (i.e. Ministers or Prime Ministers) is uncertain at this time. The C7 will have limited resources, but the government has offered a conference venue, AV and interpretation, and some logistical support. Further details will be circulated to civil society partners as they become available.

Civil society organizations in Italy have begun transitioning information to Canadian NGOs, which is a key step in collaboration to build on progress from 2017 and learn best practices.

Currently, the CCIC is working on collecting the opinions of groups engaged with the G7 process globally, aiming to identify best practices regarding past engagement with the G7. In 2017, the CCIC met with the Prime Minister’s Office to suggest some signature initiatives for Canada’s G7 Presidency. To follow up with this dialogue, they have worked with civil society organizations across Canada to develop a letter with specific issues that should be prioritized on the G7 agenda in 2018. The letter, co-signed by the heads of CCIC, the Action Canada for Sexual Health and Rights, CARE Canada, and Climate Action Network Canada, calls on Trudeau to defend the progress achieved on these issues in recent years, and to take action on the gaps that persist. The three main issues are:

1. Supporting refugees, migrants, and displaced peoples.
2. Tackling climate change and its impacts on poor and marginalized communities.
3. Ensuring the sexual and reproductive health and rights of all people.

Aside from these asks, civil society organizations have coordinated to advocate on more specific issues. This includes a Declaration to Support Girls in Crises (which has reportedly gained significant attention in the Prime Minister’s office and Sherpa team), an Open Letter to the G7 on the Global Partnership for Education, and a letter on global attention to antimicrobial resistance. Six working groups that have been formed on different issues, chaired by representatives from Canadian NGOs. The G7 Global Taskforce Working Groups are thematically organized into Peace and Security, Education, Climate and Energy, Food Security and Nutrition, Health, and Women and Gender Equity. Civil society engagement at the G7 is critical for increased collaboration and accountability. With a government that is willing to listen to civil society organizations, Canadian NGOs and civil society have a critical opportunity to help set the agenda for Canada’s G7 presidency.

Recommendations

1. Unified Civil Society Approach

During its G7 Presidency, the Canadian government will need to work with a diverse range of actors, including civil society, to maximize impact and draw on diverse expertise and capacity. Civil society must take advantage of this by advocating before the summit in consultations, meetings with Sherpas, alternative summits, policy papers, and petitions. Once a C7 is organized, this will be a key moment to advocate specific goals. It is important that civil society coordinates to ask for a common set of goals, with a concrete funding request and policy asks. Despite multiple, and often times competing, priorities, it is important for civil society to engage as a unified collective. Mixed motives and an unclear vision would have serious consequences for the design and implementation of international development initiatives. It is also important that civil society promotes and monitors the goals set out by leaders at the Summit, to hold countries and leaders accountable to their pledges, and as a basis for continuous dialogue.

One example of a coalition of civil society organizations that successfully brings issues to the attention of the G7 is the Interaction G7/G20 Advocacy Alliance in the United States. This is a coalition of 50 NGOs who advocate with United States government officials involved with G7 Summits. They also advocate on priorities for international civil society, by maintaining the G7/G20 Network (an information-sharing list with 440 members from 37 countries). Canadian civil society can work with Interaction on the 2018 Summit to coordinate and enhance efforts. Overall, the dialogue between civil society organizations and the Sherpas will be crucial to influencing the outcomes of the G7 summit, as well as future agendas.
2. Relation to G7 Themes

Every ask of civil society organizations should clearly relate to one or more themes of the 2018 summit: inclusive growth, jobs of the future, gender equality and women’s empowerment, climate change, oceans, and clean energy, and peace and security. Every ask or recommendation should clearly highlight the centrality of gender equality and the empowerment of women and girls, as this is a pillar that will be integrated into all work during this G7 summit. Timely preparations, extensive knowledge of summit preparatory processes (i.e. Sherpa and ministerial meetings), and subject expertise is essential for making civil society advocacy more effective. This dialogue can increase civil society influence on G7 processes, negotiations, and accountability.

3. Advocate for increase and more effective ODA and innovative development financing

The 2018 Charlevoix Summit will be a prime opportunity for Canada to assert active and influential leadership on sustainable development, and more specifically an increase in ODA and innovative financing for development. Advocacy should centre around increasing ODA starting with the next budget, alongside commitments to utilize new types of financing such as development finance institutions. Civil society must stress that in order for Canada to be a leader in sustainable development, policies must be matched with a commitment of resources.
Conclusion

Canada has an opportunity to assert leadership on international development assistance during its G7 presidency. While international development assistance in the G7 has seen a number of successes and setbacks over the years, the SDGs framework is a starting point for the process of change. These goals must be transformed into tangible commitments, financed with additional resources, and monitored to ensure effectiveness and transparency. Canada holds the 2018 G7 presidency and is already striving for excellence in stewarding climate change, gender equality, and the economy. Guided by its new FIAP, Canada can also deliver substantial commitments on international development. Civil society, both in Canada and internationally, have the opportunity to provide concrete asks, reports, and advocacy to advance progress on international development assistance. Canada’s G7 presidency can be leveraged by civil society organizations to advocate for increased, substantial action on international development assistance. Therefore, there must be a unified civil society approach, clear connections between civil society asks and the G7 themes, and advocacy for an increase in Canada’s ODA.
Appendices
Appendix 1: The G7, G8, and G20 Member Countries

Appendix 2: Development Challenges

Human deprivation liesers in some indicators of well-being

Poverty and hunger
- Income poor: 748 million (2013)
- Children stunted: 156 million (2014)
- Children underweight: 90 million (2015)

Health, mortality and education
- Children dying before age 5: 5 million (2015)
- People living with HIV: 36 million (2015)
- Illiterate adults: 758 million (2014)
- Illiterate young people: 114 million (2014)
- Functionally illiterate people in OECD countries: 166 million (2005)
- Children not at school at primary level: 61 million (2016)
- Children not learning basic skills: 259 million (2014)

Access to basic social services
- People who lack access to an improved water source: 2.4 billion (2015)
- People who lack access to an improved sanitation facility: 946 million (2015)
- People reporting to open defecation: 680 million (2015)


Appendix 3: Canada's International Development Assistance 2014-2015: “Canada uses a whole-of-government approach to deliver effective results”

Global Affairs Canada leads Canada’s international assistance efforts to reduce poverty and inequality by leveraging Canadian expertise and financial resources, providing bilateral development assistance and institutional support to multilateral organizations, humanitarian assistance responses, as well as security and stability assistance in fragile and conflict-affected states.

The Royal Canadian Mounted Police deploys Canadian police in developing countries to provide technical assistance and capacity building.

Immigration, Refugees and Citizenship Canada provides health care and financial assistance to refugees arriving in Canada.

The Department of National Defence deploys Canada’s Disaster Assistance Response Team (DART) to provide rapid assistance to disaster-affected regions abroad and supports whole-of-government efforts such as the Government of Canada’s Ebola response.

Canadian provinces and territories support a wide variety of development projects.

Finance Canada manages Canada’s relationship with the World Bank Group, including the International Development Association (IDA), as well as the relationship with the International Monetary Fund (IMF) and the European Bank for Reconstruction and Development (EBRD) in addition to multilateral and bilateral debt relief initiatives.

The International Development Research Center (IDRC) invests in knowledge, innovation, and solutions to improve lives and livelihoods in the developing world.

Appendix 4: G7 Economic Growth Projections

G7 ECONOMIC GROWTH PROJECTIONS

Canada’s economy is projected to lead the G7 in real GDP growth in 2017, according to new estimates released by the International Monetary Fund.

PROJECTED YEAR-ON-YEAR REAL GDP GROWTH (%)

<table>
<thead>
<tr>
<th>Country</th>
<th>2016 (actual)</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>1.5</td>
<td>3.0</td>
<td>2.1</td>
</tr>
<tr>
<td>USA</td>
<td>1.5</td>
<td>2.2</td>
<td>2.3</td>
</tr>
<tr>
<td>Germany</td>
<td>1.9</td>
<td>2.0</td>
<td>1.8</td>
</tr>
<tr>
<td>UK</td>
<td>1.8</td>
<td>1.7</td>
<td>1.5</td>
</tr>
<tr>
<td>France</td>
<td>1.2</td>
<td>1.6</td>
<td>1.8</td>
</tr>
<tr>
<td>Japan</td>
<td>1.0</td>
<td>1.5</td>
<td>0.7</td>
</tr>
<tr>
<td>Italy</td>
<td>0.9</td>
<td>1.5</td>
<td>1.1</td>
</tr>
</tbody>
</table>

SOURCE: IMF (October 2017)  
THE CANADIAN PRESS

Appendix 5: Official Development Assistance (OECD)

Official Development Assistance 2016

ODA as per cent of GNI (2016)  
ODA - USD billion (2016)


81 “Canada Tops G7 in Latest IMF Estimate for 2017 Economic Growth, No. 2 in 2018.”
82 “Net ODA.”
Bibliography


