

Context of the peer review of Canada

Political and economic context

The Liberal Party, led by Prime Minister Justin Trudeau, won Canada's federal election in October 2015, bringing to an end a decade of Conservative government. Marie-Claude Bibeau is the current Minister of International Development and La Francophonie. The next federal election is due to be held by October 2019.

The new government has prioritised openness and transparency, strongly underpinned by Canadian values – inclusion, honesty, hard work, fiscal prudence and generosity of spirit. Ministers are expected to collaborate with their colleagues, with parliamentarians and parliamentary committees, and the public service, and engage in constructive dialogue with Canadians and Canadian stakeholders. Individual and collective ministerial priorities are laid out in published mandate letters and progress on each is reported using an online mandate letter tracker.

The government characterises itself as progressive and feminist and has put gender equality and women's empowerment at the centre of its work. It is also committed to a clean environment – reducing greenhouse gas emissions and combatting climate change – and a sustainable economy, and is re-engaging actively on global issues and with multilateral organisations.

Canada has experienced strong economic growth recently, following the fall in commodity prices in 2014. Per capita gross domestic product (GDP) stood at USD 44 793 in 2016, the third highest among the G7 nations¹, and above the OECD average. Canada led the G7 with an annual GDP growth of 3.02% in 2017; this is projected to drop to 2.10% in 2018 and 1.94% in 2019 as government spending and private consumption slow (OECD, 2017_[1]; OECD, 2017_[2]). At 114% of GDP in 2016, public debt compared favourably with other G7 members, as did the general government deficit at -1.1% of GDP. Finance Canada projects that the government's budget deficit will peak at USD 15 billion (CAD 19.9 billion) in 2017-18 and thereafter decrease, resulting in a balanced budget in 2045-46 (Department of Finance Canada, 2017_[3]).

Canada's population is 35.1 million,² with around one-fifth born overseas.³ Canada performs above the average on well-being indicators in the OECD's *How's Life?* index, with high household net wealth and employment rates and a low long-term unemployment rate. Security and life satisfaction levels are among the highest of OECD countries. However, full-time employees report having less time off and housing affordability is below the OECD average. Canada ranks in the bottom performing OECD tier on carbon dioxide (CO₂) and greenhouse gas emissions, household debt, investment in research and development, educational expectancy and obesity prevalence (OECD, 2017_[4]).

Development co-operation system

In June 2013, the former Canadian International Development Agency (CIDA) was amalgamated with the Department of Foreign Affairs and International Trade in order to improve effectiveness, align strategic approaches and achieve better results (Foreign Affairs Trade and Development Canada, 2014^[5]). A newly created office, Minister of International Development, was enshrined in law (Government of Canada, 2013^[6]). While the department's legal name remains unchanged, its applied name was later changed to Global Affairs Canada.

The last OECD DAC peer review of Canada was conducted in 2012, prior to the amalgamation. Canada's ratio of official development assistance (ODA) to gross national income (GNI) has declined from 0.31% at the time of the 2012 peer review, reaching a low point of 0.24% of GNI in 2014, a level not seen since 2003. In Budget 2018, the Government of Canada announced the allocation of new resources of CAD 2 billion over five years, starting in 2018-19. Global Affairs Canada disburses almost three-quarters of ODA; Finance Canada, the International Development Research Centre and Immigration, Refugees and Citizenship Canada are significant actors.

Following the 2015 election, Global Affairs Canada consulted widely with Canadians and partners as part of its international assistance review. The announcement of the Feminist International Assistance Policy in June 2017 provides long-awaited direction for Canada's development co-operation.

Notes

1. The Group of Seven (G7) comprises Canada, France, Germany, Italy, Japan, the United Kingdom and the United States. Russia had been a member of the Group of Eight (G8) but was excluded in 2014.
2. Canada at a Glance 2017: Population: <https://www.statcan.gc.ca/pub/12-581-x/2017000/pop-eng.htm>
3. OECD indicators of integration, Canada: www.oecd.org/migration/integrationindicators/keyindicatorsbycountry/name,219003,en.htm.

References

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- OECD (2017), "Developments in Individual OECD and Selected Non-member Economies", *OECD Economic Outlook, Volume 2017, Issue 2 - Preliminary Version*, OECD Publishing, <http://dx.doi.org/10.1787/888933631285>. [2]
- OECD (2017), "How's Life in Canada?", OECD, Paris, <https://www.oecd.org/statistics/Better-Life-Initiative-country-note-Canada.pdf> (accessed on 06 March 2018). [4]