



**CANADIAN INTERNATIONAL
DEVELOPMENT PLATFORM**

CANADA IN INTERNATIONAL DEVELOPMENT

CANADIAN INTERNATIONAL DEVELOPMENT PLATFORM - DATA REPORT 2016



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INTRODUCTION

Welcome to the Canadian International Development Platform and the 2016 Data Report

Dear Reader,

It is my pleasure to welcome you to the Canadian International Development Platform (the Platform) and our 2016 data report. Through this introduction I'd like to set the context for our report and its interpretation. I would also like to introduce you to the Platform and welcome you to engage with us through it.

A summary of key areas we will be watching, over the coming months and years, and key messages including policy ideas is given below. These are further elaborated in the next section of this report.

So long “developing world”?

Last year the World Bank sparked an interesting and important debate about whether we should continue to use the term the “developing world”. The universality of the Sustainable Development Goals (SDGs) agreed in September 2015, it was argued, makes the distinction between developed and developing worlds less relevant.

As this discussion has evolved it has also become more nuanced. The first real change we can see is that the World Bank no longer distinguishes between developed and developing worlds in its 2016 World Development Report. However, curiously, PovcalNet, the Bank's main poverty tracking tool, maintains the distinction. And the distinction is necessary to make sense of forecasts, such as the one made by the Bank (in October 2015) that global poverty fell to the single digit level for the first time in history. More recent analysis, such as the review of country income classifications, finds that such classifications are still very relevant, useful and necessary, though need to be updated.

So, what is really going on? What about this debate really matters?

It is a truism to say that the broader context within which economic development, poverty reduction and sustainable development debates are taking place is changing rapidly.

Back in the late 1980s and early 1990s when a number of these groupings were developed, more than half the world lived in “low income” countries. Today, not only is less than 10% of global population in low income countries, but, even more dramatically, between 2000 and 2015, a relatively short span of time, the number of low income countries more than halved and is now only 31.

As our report shows, the simplistic, uni-directional paradigm of Canada doing development overseas rarely holds. Even in contexts where it remains somewhat relevant, the dynamics are changing rapidly. As countries develop and move through stages, their overall net contribution to Canada becomes significant very quickly.

This is the reason why our analysis starts with foreign assistance but moves beyond to cover other dimensions that are key to understanding how Canada engages with developing countries. For example, even when we look across a relatively small list of Canada's ‘development focus’ countries, we find that:

- The value of imports from many of these countries in to Canada are more than 10 times the value of Canadian aid to the same (this includes Bangladesh, Colombia, Indonesia, Peru, Philippines and Vietnam);
- Investment flows are more than 10 times aid (in Colombia, Indonesia, Mongolia and Peru);
- Remittance flows are larger than aid (in Colombia, Haiti, Peru, Philippines and Vietnam).
- Many of our fastest growing trade and investment partners are among developing countries, including development focus countries.
- Yet from a development perspective, despite considerable support for trade capacity development and market access, there remains scope for further coherence between aid and trade policies.
- The majority of new migrants to Canada come from developing countries, including development focus and partner countries. Many of the largest recipients of remittances from Canada are among our development focus and partner countries.
- The fastest growing categories of migration to Canada (e.g. international students) are dominated by developing countries, and entail net financial inflow into Canada that rivals foreign aid outflows.



Our key message is that development is bigger than standalone foreign aid policy and Canada needs a differentiated approach and a more integrated development strategy, in order to pursue specific yet holistic development objectives in a range of different contexts.

CANADA'S GLOBAL AMBITIONS

The new Canadian government (elected in October 2015) has set its ambitions high when it comes to Canada's place on the global stage.

In May 2016 the Government of Canada launched an international assistance review (IAR). The aim of the review is to come up with a new policy framework to guide Canada's international assistance. The IAR is welcome as it shows openness, leadership, and seriousness about both the challenges and opportunities for Canada's international assistance. It has been at least 10 years since the last international policy statement on this subject. The IAR also comes at a time when Defence policy and trade (under the auspices of the Trans Pacific Partnership consultations) are also seeking inputs.

We hope that the data and analyses presented here will contribute to the thinking in the IAR and help bring greater nuance to how Canada will engage on development issues.

THE PLATFORM

The Platform leverages open data and big data from a development perspective, focusing on Canada's engagement in development issues. It is a vehicle and venue for objective, non-partisan research, policy analysis, and data analytics.

It is both an online and offline forum for exchange of forward thinking ideas on development.

Data and analytics on the Platform are organized in 4 verticals: foreign assistance, international trade, foreign investment and migration and remittances.

DATA REPORT 2016

The Data Report 2016 is a synthesis of analytics, data and visualizations that aim to provide a comprehensive picture of how Canada engages with developing countries, from the perspective of the 4 key flows we cover: foreign assistance, international trade, foreign investment and migration and remittances. This report is the tip of the iceberg so to speak.

More data, analysis, commentary and resources are available live through our online portals: www.cidpsi.ca

KEY AREAS WE ARE WATCHING

Below is a summary of key areas we are watching closely, and emerging policy ideas. A deeper discussion of each is provided in the next section of this report:

- The SDGs present opportunities but also come with risks
- Changing rules about what counts as foreign aid
- Outcomes of the IAR and Canada's 'feminist' international assistance policy
- Health finance, humanitarian support and climate finance in developing countries
- Canada's development finance initiative
- Expanded migration and refugee resettlement
- Efforts to close data and information gaps in key areas

KEY MESSAGES, POLICY IDEAS & RECOMMENDATIONS

- Canada needs a differentiated approach and a more integrated development strategy
- A hardnosed assessment of financial resources needed to support Canada's ambitions on the global stage cannot be avoided; Canada could put in place a long-term plan to double its international assistance envelope (IAE) as it has done in the past
- Multi-stakeholder efforts and platforms are needed to address key data and information gaps especially in the area of investment and remittance data



A SPECIAL NOTE OF THANKS

This report and the Platform would not be possible without the hard work and dedication of our team. It is impossible to do justice to each member's considerable contributions. I hope you know how much your work is valued.

I would also like to thank the Bill and Melinda Gates Foundation and the Norman Paterson School of International Affairs (Carleton University, Ottawa) for their support and encouragement. We hope that you will find the report useful and that it will contribute to elevating Canada's standing as a principled actor that we can all be proud of on the global stage.

— Aniket Bhushan
Principal, Canadian International Development Platform

KEY MESSAGES

AREAS WE ARE WATCHING

The SDGs present an opportunity but also come with risks

Because of their expansive nature a key risk is that the SDGs may engender a lack of focus and prioritization, or they will get reduced down over time to the areas that are more credibly measureable (and thereby end up not very different from the Millennium Development Goals, MDGs, which they sought to replace and update). The SDGs in this regard could get reduced down to ending global extreme poverty by 2030. The best case scenario, from a data perspective, would be that the SDG framework leads to technical and methodological innovation in data gathering, analytics and reporting, especially in the new goal areas where there are significant gaps across a wide range of countries. The universal approach of the SDGs also carries another risk. One of the key contributions of the MDGs was to reverse the decline in development assistance in the years preceding (mid to late 1990s). The SDGs may not have the same impact on development finance.

Changes to rules governing overseas development assistance (ODA)

Important changes are taking place regarding what counts and how as foreign aid or ODA. These updates are necessary to better reflect the changing reality of financial support for development. The line between ODA and non-ODA but development oriented public finance, will blur further in the years to come, as new instruments, partnerships and modalities increase their share of development finance.

Outcomes of the IAR, Canada's 'feminist' international assistance policy, and looking ahead to Budget 2017

The ongoing IAR process is expected to close by the end of the year with results feeding in to future planning and prioritization. A key indication of this will be the next federal budget in 2017. The IAR set out (explicitly) to apply a 'feminist lens across Canada's international assistance'. Expectations are set high. Either we will see tangible change or we will not. Other countries that have taken a similar approach (Sweden for instance has an explicitly feminist foreign policy) have found that it is not risk-free. A new approach is not just about what Canada will do or how, but also about what Canada will no longer do. We will track what actually changed. Both in terms of what Canada does and how, and also what it does less or stops doing.

Health finance, humanitarian support and contribution to climate finance in developing countries

These three areas are already priorities for Canada. In many respects Canada is playing a leadership role in each. Together they make up a significant share of Canada's global contribution. We will track what further ambition will be shown, either as a function of the IAR or future funding and planning.

Canada's development finance initiative (DFI)

The need to go beyond ODA to finance development will become increasingly important and apparent. The DFI is one tool towards this end. We will track if and how ambitiously Canada's DFI (first announced in Budget 2015) develops.

Expanded migration and refugee settlement

After years at a nearly static level, Budget 2016 announced an increase in permanent resident intake levels, up to 300,000 per year. Canada is also playing a key role in sharing the global refugee burden, especially from around the Syrian region by way of expanded refugee intake. We will track how these commitments proceed and how new refugees and migrants are engaged in Canada's relationship with their home countries.

Data and information gaps

There is renewed commitment to and seriousness about evidenced based policy. A prerequisite for this is good data and accessible information. Much progress has been made in Canada in these areas (e.g. on open data) in recent years. But significant gaps remain. Key gaps are in the area of investment data, and a more integrated understanding of migration flows, remittance outflows and the use of financial channels by Canadian diaspora communities. We will track how efforts to address these are proceeding.

POLICY IDEAS & RECOMMENDATIONS

Differentiated approach and a more integrated strategy

Canada needs to think about a wider development strategy.

Given the patterns we see in the data it is clear that focusing purely through an international assistance lens is becoming increasingly insufficient.

In several cases, including across many development focus and partner countries, trade, investment and remittance footprints are far larger than aid flows.

Making the links between policy domains is therefore increasingly important. In order to do this Canada needs a whole-of-government (and beyond government) platform in order to take a more nuanced approach to which tools and initiatives make sense in which contexts. For example:

- **Today's refugees are tomorrow's change agents in rebuilding and reviving their communities back home.** An integrated strategy would work to build the necessary infrastructure to engage refugees in a meaningful conversation about the future role Canada can and should play in their home countries.
- **Today's international students are future thought leaders and globalists.** An integrated strategy would work to leverage their Canadian experience to help guide future Canadian engagement.

Canada's current development assistance prioritization frameworks - both the country of focus approach and the thematic approach - are too broad and unsystematic.

In particular, as discussed below, Canada needs a specific strategy for engagement in fragile contexts, and a strategy for engagement with middle income countries.

Deep pockets of persistent poverty and deprivation continue to exist in middle income countries. If the SDG goal of ending global poverty and leaving no one behind is to be achieved, poverty and development challenges in middle income countries cannot be ignored.

This is especially true for Canada's engagement.

Middle income countries make up the largest source of new migrants to Canada, and the majority of remittance outflows from Canada go to these countries.

Trade and investment between Canada and these countries is growing rapidly even if only from a small base. Therefore an integrated approach that goes beyond aid policy is necessary.

A differentiated approach has implications for what types of instruments and modalities are used where. It differs from the current approach which focuses almost exclusively on projects and programs financed through concessional grants and contributions.

From the above discussion, at the country level, our analysis points to a better formulation around 3 groups:

- **Fragile states contexts: Canada needs a fragile states and contexts strategy.** Many other donors (e.g. the UK, Netherlands, Norway and others) have realized that the unique circumstances of engagement in fragile contexts necessitates this.
- **Non-fragile low income countries: several partner countries will continue to have high poverty levels even though they may not be fragile per se.** They will require concessional financing primarily as trade, investment and other policy domains will have limited reach and impact.
- **Transitional partnerships: these would be partnerships that do not rely exclusively on concessional ODA financing.** In many cases trade, investment and migration policies (and intersections between them) would be key to setting out approaches. As would blended finance and leveraging private sector partnerships and capital.

In short, highly concessional grant financing should be restricted to fragile contexts, low income and least developed countries and humanitarian response; blended instruments, near or at market financing, and ODA loans could be increasingly applied in transitional and middle income contexts.

Keeping Canada's current level of country and regional focus, or increasing the foreign assistance portfolio by focusing on new areas and sectors, would only be credible within the context of an expanded financing envelope.

Linking resources to ambition

After years of declines in development assistance spending, an assessment of the financial resource levels needed to support Canada's ambitions on the global stage cannot be avoided any more.

Canada's development finance contribution, and almost all of its ODA or foreign aid, is financed by a unique framework called the international assistance envelope (IAE).

A key advantage of the IAE is that it is broader than and unbound by what qualifies as ODA today.

Increasing Canadian development finance in turn means increasing the IAE. There are creative ways of thinking about how resource levels can be elevated in a fiscally responsible manner, for example:

- **Expand the IAE to target a broader set of areas**
- **Expand the range of departments and agencies that have access to IAE resources**
- **Experiment with a differentiated approach to investment types and modalities that allows more space to leverage new partners, crowd-in new investors both at home and abroad**
- **Lengthen planning timeframes, which would also have the added effect of increasing predictability**

Such efforts should be prefaced by greater transparency around the IAE.

The intention to increase the envelope is clear. Budget 2016 announced a modest increase, and discussed the ambition of taking the IAE to the \$5 billion level by 2018-19.

However this increase will not even put Canada back on past trends, and barely represents a recovery from recent cuts.

More credible and commensurate with Canada’s global ambitions, would be laying out a long-term (8 to 10 year) plan for doubling the IAE.

This would be in keeping with historical precedent. In 2002, Canada announced it would double IAE. This was achieved in Budget 2010, which noted that the envelope was increased from \$2.5 billion in 2002 to the \$5 billion level by 2010.

Ironically the most recent level of ambition as indicated in Budget 2016, to take IAE to the \$5 billion level by 2018-19, would imply the same (nominal) level as achieved in 2010 (and therefore a decline in real terms).

The IAE doubling from 2002 to 2010 was achieved through a long-term provision for annual growth of 8% in the IAE. If Canada is serious about being a leader on the global stage, it is time to revisit this framework.

For instance, committing to an 8% annual growth target for the IAE would put Canada on track to double the envelope over an 8 to 10 year horizon.

Assuming an IAE level of approx. \$4.75 billion (by the next reporting), this would imply a commitment in Budget 2017 to increasing IAE levels up to approx. \$7 billion by 2022, and \$10 billion by 2027.

Precise growth rates and anchors are a matter for further debate. The point is to think about an ambitious long-term strategy, and update the funding framework accordingly.

Data and information gaps especially in investment and remittance flows

Data and information gaps make policy analysis difficult in key areas that are increasingly important.

Two key areas in this regard are investment and remittances data.

As noted, investment data even where available, is suppressed for confidentiality reasons. Foreign direct investment data lack detail required to conduct thorough analysis.

For a country that accounts for a significant share of global migrants and migrant remittances (relative to Canada’s size) the availability of data and analyses from domestic sources on remittance patterns for instance remains weak.

While efforts are underway to close some of these gaps, more work is needed.

The new government, which has indicated it is serious about evidence-based policy and analysis, would be well placed to bring together official and external stakeholders to further assess and guide efforts to improve coverage, consistency, and detail, especially in the areas of investment and remittances data.

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FOREIGN ASSISTANCE

Canada's international assistance spending in 2014-15 totaled \$5.8 billion. This equates to \$163 per Canadian, about 2% of federal budget spending, and an overseas development assistance (ODA or foreign aid) to gross national income ratio of 0.28. Canada is the 8th largest bilateral donor in the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC).

THIS SECTION DISCUSSES:

- **Top 10 foreign assistance recipients in 2015**
- **Canada's foreign assistance priority countries**
- **What share Canadian assistance makes up in the total aid they receive, and where is Canada among the top 10 donors?**
- **What share of Canadian assistance goes to different income groups and regions?**
- **Sectors Canadian assistance targets**
- **Partners Canada works with to deliver foreign assistance**

The second part benchmarks Canada's performance against other comparable donors in the following areas:

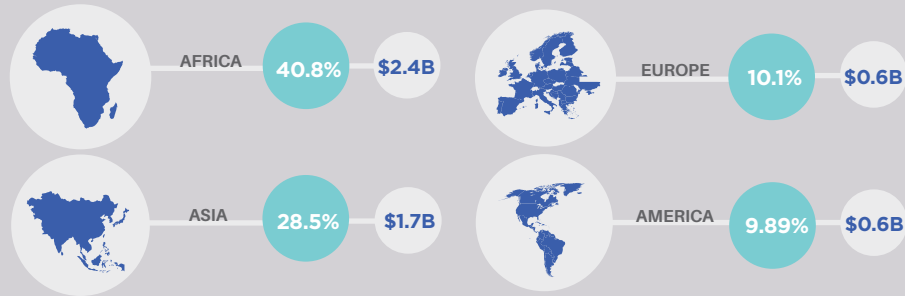
- **Focusing on the poorest**
- **Focusing on fragility**
- **Focusing on gender**
- **Contributions to and use of the multilateral development system**
- **Canada as a humanitarian donor**
- **Canada as a health sector donor**
- **Aid transparency**

HIGHLIGHTS

- Canada's foreign assistance levels have declined in recent years, as has its rank on the aid generosity measure (ODA/GNI ratio).
- However, in many respects, Canada performs well.
- Canadian assistance is relatively well targeted at the poorest and fragile states; and Canada is among the top 10 donors in 15 out of 25 development focus countries.
- However, Canadian assistance in two of Canada's priority fragile state partners – Afghanistan and Haiti – has been declining in recent years.
- Canada has become a leader in the sectors Canadian assistance has prioritized in recent years – e.g. health and humanitarian.
- Canada's recent international assistance review (IAR) calls for a shift towards a 'feminist' international assistance policy. However, Canada is already one of the most gender focused donors, its gender focus (measured by the 'gender marker') is nearly twice the OECD-DAC average.
- While Canada performs well on contributing to the core costs of multilateral institutions, there remains scope to step up further.
- Similarly, while Canada does well on aid transparency, there is room for improvement.
- Enhancing coherence and moving to a more differentiated 'development strategy' that goes beyond aid policy, and links foreign assistance with trade, investment and sustainable development goals remains an area of opportunity.
- Outlining a clear strategy for engagement in fragile contexts – as other donors have – remains a key gap.

TOP RECIPIENTS BY REGION

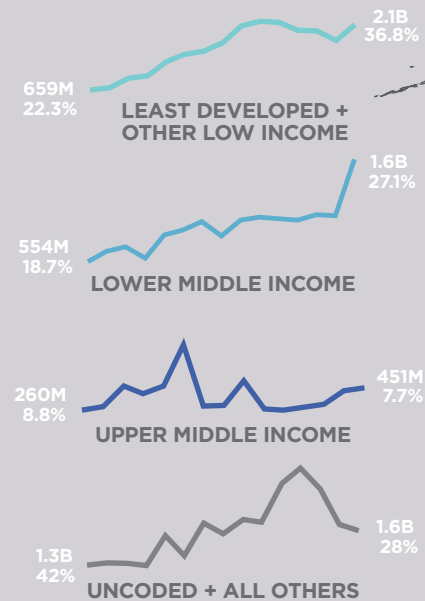
% of total Canadian disbursements



RECIPIENTS BY INCOME GROUP

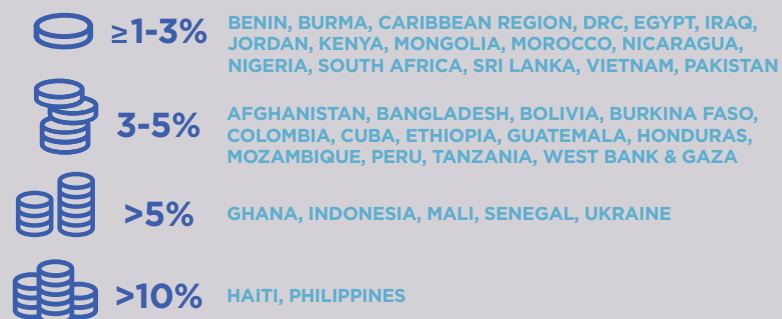
\$ trendline from 2001-2015

% = percent of total annual disbursement



CANADIAN AID AS A SHARE OF TOTAL RECEIVED

*calculated using 2010-2014 averages



TOP 10 RECIPIENTS OF CANADIAN AID

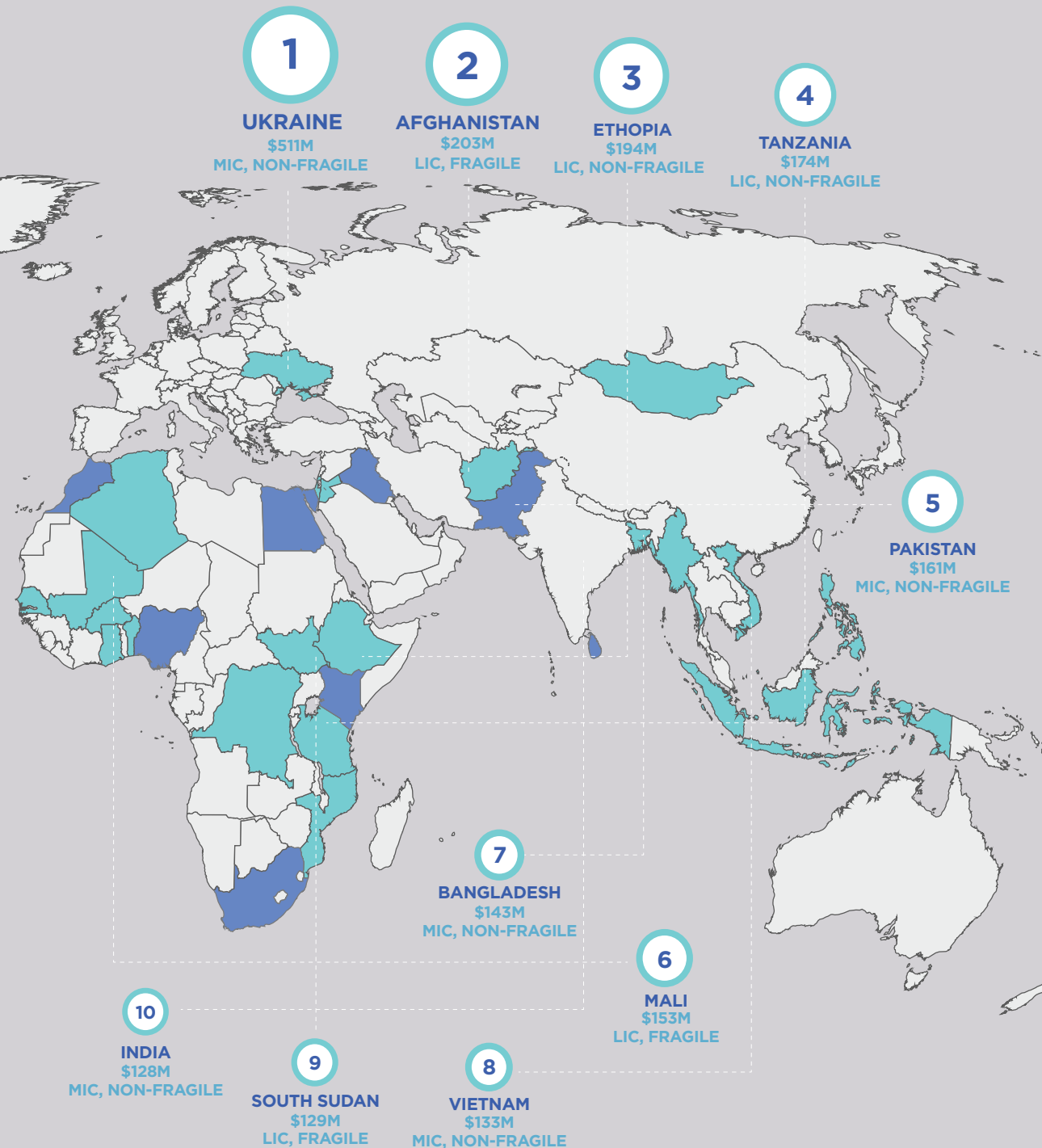
Ranked in terms of disbursements

COUNTRY OF FOCUS

PARTNER COUNTRY

*all data and rank order is for 2015 unless otherwise specified

**LIC = Low Income country; MIC = Middle Income country



TARGETING THE NEEDIEST

Canada ranks among the top 5 donors when it comes to focusing assistance on the poorest countries

Canada provided 27% of its aid to the poorest countries, higher than the OECD-DAC average of 23%.



share of aid to the neediest

Among major donors, who does better than Canada?

The US (32%), Japan (31%) and Multilateral donors (43%) such as the World Bank, UN agencies and regional development banks are more focused on the poorest countries.



*based on OECD-DAC data, 2010-2014 averages

FOCUSING ON FRAGILITY

Canada ranks among the Top 5 donors when it comes to focusing on fragility

There are two main perspectives on 'fragile states' - the OECD's list of fragile states (50 countries) and the World Bank's list of fragile situations (33 countries)



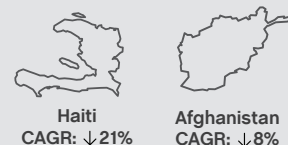
Using the World Bank approach, **17%** of Canada's aid goes to fragile states, slightly higher than the DAC average of 16%



Using the OECD approach, **25%** of Canada's aid goes to fragile states, the same as the OECD-DAC average

Canada's fragility focus has declined in recent years as aid to two of its largest recipients - **Afghanistan** and **Haiti**, both of which are fragile, regardless of the approach used - has declined from recent highs.

**Fragility lists are for 2015. All other data are 2010-2014 averages.



*change in aid 2010 - 2015

Among major donors, who does better than Canada?

The US (37%, largely due to Iraq), Japan (32%), and the UK (26%). Multilateral donors are also more focused on fragile states (43%).

*Using the OECD approach

HOW "FEMINIST" IS CANADA'S FOREIGN ASSISTANCE?

In launching the International Assistance Review in May 2016, Canada's Minister of International Development explicitly noted that consultations would seek input on "how to apply a feminist lens throughout all of Canada's international assistance activities". The question can be analyzed in a relatively objective manner using the 'gender markers' used by donors.

DEGREE OF GENDER FOCUS

- gender-focused
- gender not targeted specifically

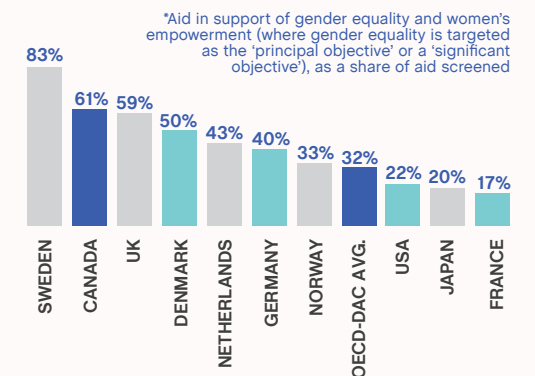


*trend from 2005/2006 to 2014/2015

Canadian data (more detailed than the OECD-DAC) indicates that Canada's assistance in recent years has become progressively more gender focused - from around 54% of assistance spending targeting gender in 2005-06 to 70% in 2014-15.

How does Canada's gender focus compare with that of other major donors?

Based on this* measure, Canada is roughly 2x more gender focused than the DAC average



PARTNERSHIPS (2015)

The majority of assistance at the project level is delivered through multilateral partners: **58.6% (\$2B)**; and civil society: **29.5% (\$1B)**,

- about 19% through Canadian civil society, 6% through foreign non-profits

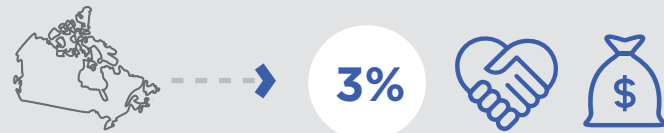
The 5 Largest Canadian civil society partners through which assistance projects and initiatives are delivered are: **Micronutrient Initiative; Aga Khan Foundation Canada; World Vision Canada; Plan Canada and Canadian Red Cross Society**



CANADA AS A HUMANITARIAN DONOR

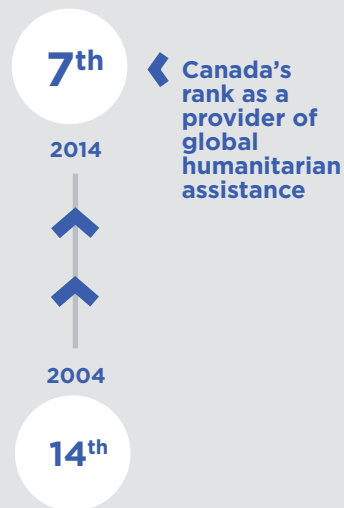
Canada's rank as a global humanitarian assistance provider increased from 14th to 7th between 2004 to 2014

Canada contributes approximately 3% of the total global humanitarian financing burden which was US\$24.5 billion in 2014



Humanitarian aid is the fastest growing sector in Canadian assistance, and makes up a larger share than any other sector

*Based on Global Humanitarian Assistance Report database (2015)



CANADA AS A HEALTH SECTOR DONOR



Canada is among the top 6 providers of development assistance for the health sector (2010-2014)

Canada provides around 3% of global development assistance for the health sector

Health is a key sector in Canadian assistance and one that has grown rapidly since the launch of the maternal and newborn child health (MNCH) initiative; it is the second largest sector in Canadian assistance



*Based on Institute for Health Metrics and Evaluation (IHME). Financing Global Health (2015)



Humanitarian:
increased from
\$342M to \$822M



Health:
increased from
\$397M to \$606mn

Health and humanitarian are the fastest growing sectors in Canadian assistance, and together account for approx. 42% of total project level assistance (2015)

*Calculated using data from years 2005/2006 - 2014/2015; \$ in CAD

CANADA AND THE MULTILATERAL SYSTEM

Canada is a key supporter of global multilateral institutions and provides 2% to 3% of core contributions to the multilateral system as a whole.



Canada is among the top 10 supporters of the multilateral development system



In 2014 all donors together contributed \$43.2 billion in core support to the multilateral system

another \$28 billion in projects and initiatives were also channeled through the multilateral system



The multilateral system - comprising UN agencies e.g. UNICEF, World Food Program and others; the World Bank; regional development banks; climate finance multilaterals and other institutions - is a key part of the development financing system



CANADA AS A TOP DONOR



Canada is among the top 10 donors in 15 out of our 25 development focus list countries

Canada is among the top 5 donors in Ukraine, Haiti, Ghana, Senegal, South Sudan, Honduras and Mali *Based on 2014 OECD-DAC data

AID TRANSPARENCY

Canada ranks 12th out of 46 bilateral, multilateral, and other aid providers



Canada's performance on aid transparency and publication of detailed information is rated as "Good"

*based on Aid Transparency Index (2016)



INTERNATIONAL TRADE

Canada's trade to GDP ratio is around 63% making it one of the more open economies in the world. Canada accounts for approx. 2.5% of global exports and imports. Bilateral trade is a key component of Canada's engagement with the developing world. Total trade (exports and imports) with developing countries (low, lower and upper middle income) reached \$184 billion in 2015, or about 18% of Canada's international trade. Trade with developing countries, while small as a share of overall trade, has been growing at almost 3 times as fast as Canada's overall trade since 2002.

THIS SECTION DISCUSSES:

- **Canada's trade with major developing country partners**
- **How have trade patterns been trending, in terms of import and export performance, rates of growth, balance of trade (and other factors)?**
- **Which are the fastest growing developing country trade partners for Canada?**
- **Regional trade patterns**
- **Trends across different income groups**
- **What does Canada buy from developing countries and what does it sell to developing countries?**
- **Which developing countries have a revealed comparative advantage in the Canadian import market?**
- **Are Canada's trade policies aimed at developing countries coherent from a development perspective?**

It also benchmarks Canada's performance against other comparable advanced economies, for example:

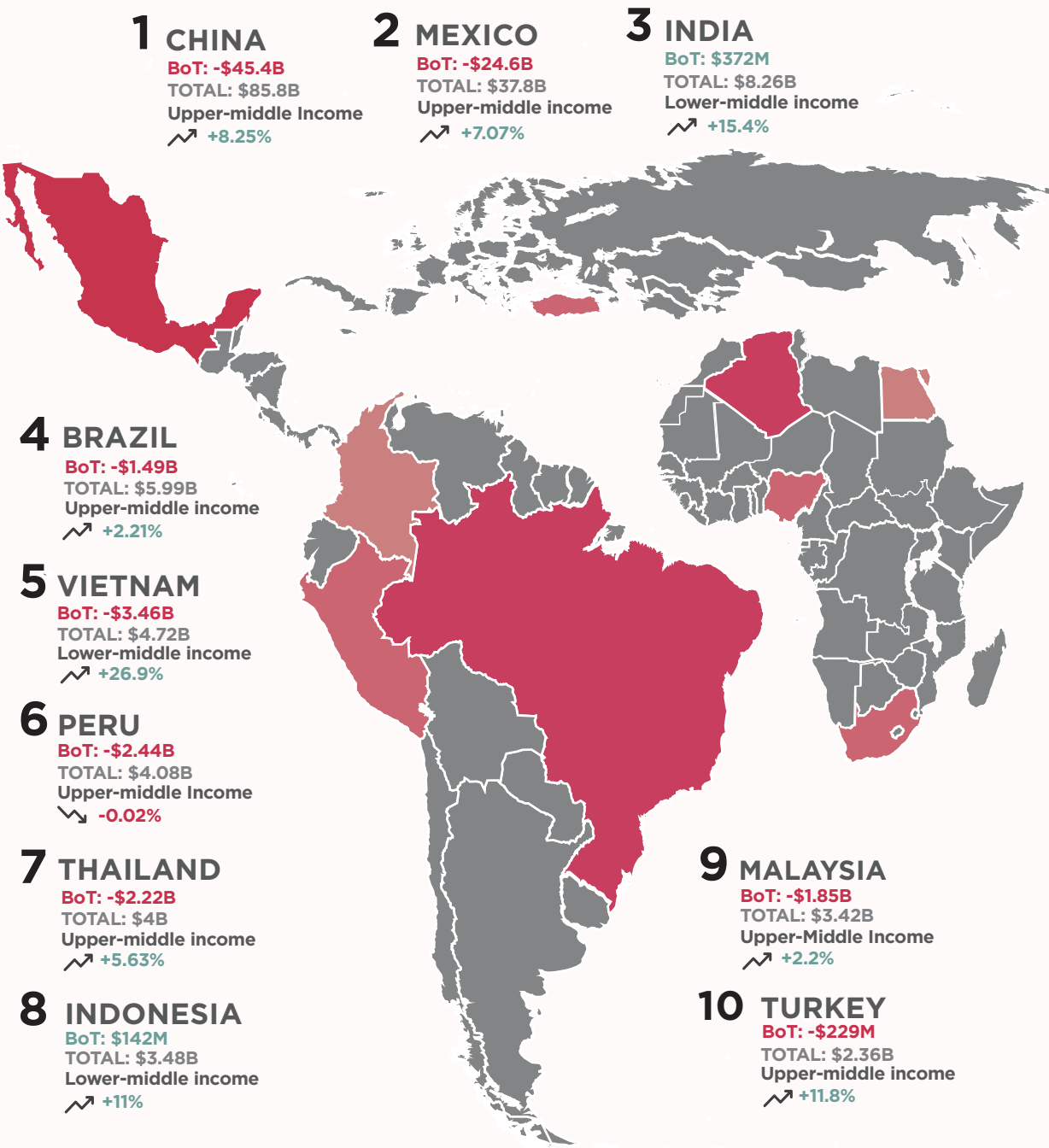
- **How does Canada's trade pattern with developing countries compare with that of other advanced economies?**

HIGHLIGHTS

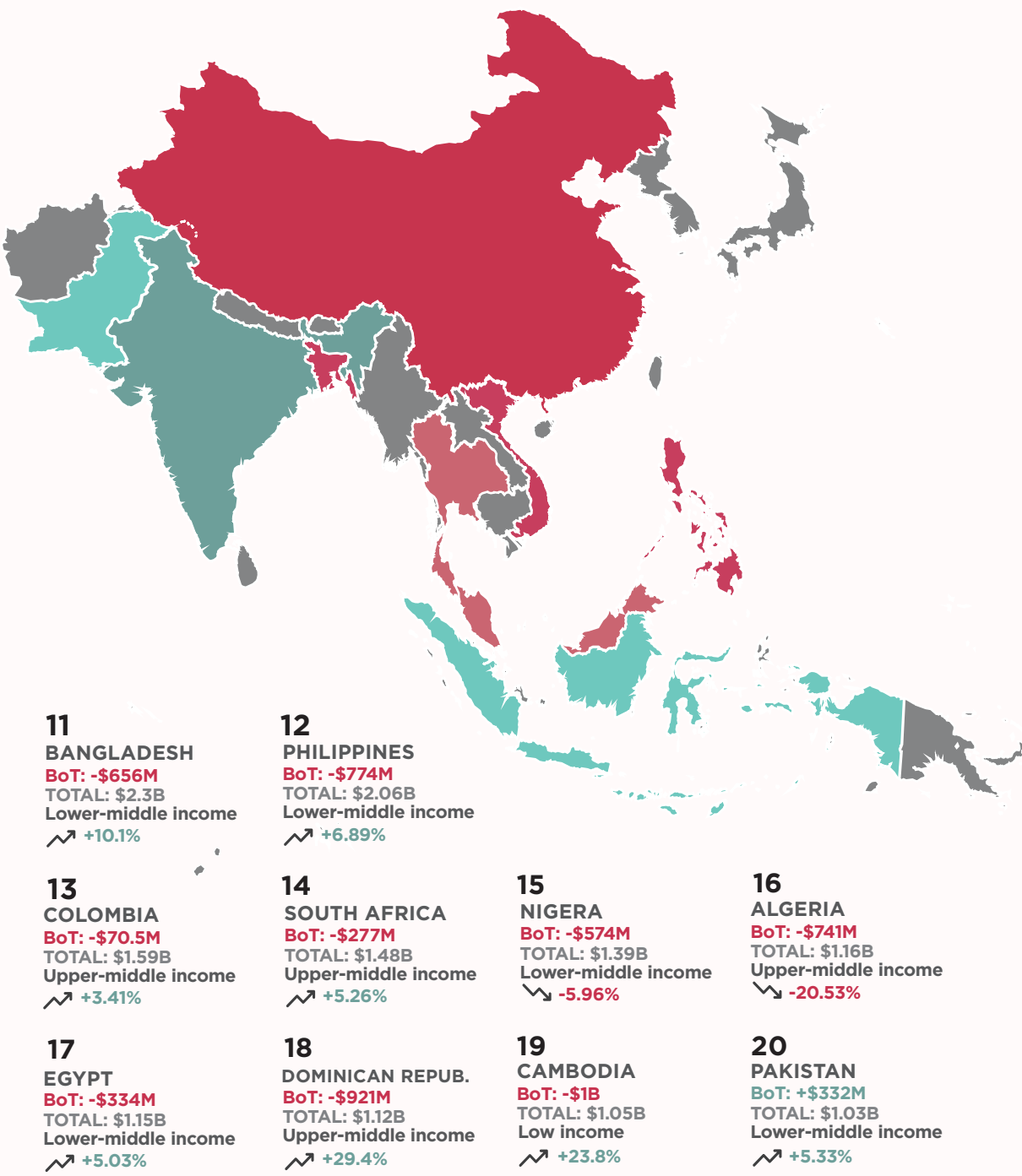
- Most advanced economies trade primarily with other advanced economies at a similar level of development.
- In many cases trade tends to be concentrated with one or two major partners – e.g. 17% of France's international trade is with Germany, 21% of the Netherlands' trade is with Germany, 21% of Japan's trade is with China, 29% of Australia's trade is with China.
- Even by these standards however, Canada's trade is highly concentrated with one partner – 66% of Canada's trade is with the United States, making it by far the most concentrated major bilateral trading relationship in the world.
- Canada's trade has been diversifying towards developing countries, however this trend reversed in the years following the financial crisis, as the share of high income countries increased.
- Developing countries are increasing their share in the Canadian import market, but by comparison Canadian exports to the developing world remain low (even compared to other advanced economies).
- Structural factors limit the extent to which and the pace at which Canada's trade can diversify towards faster growing developing countries – there are a limited number of product areas in which Canadian exports are globally competitive, and a limited number in which Canadian exports are sustainably competitive in developing countries; on the other hand, Canadian demand for products in which developing countries are competitive is linked to the overall performance of the economy.
- Canada has a substantial trade deficit with developing countries as a whole, which means these countries gain (in net financial terms) from trade with Canada, as they sell more to, than buy from, Canada.
- Canada's fastest growing major developing country trade partners (over the past 5 years) include: Vietnam, India, Indonesia and Turkey.
- Trade with the top 10 developing country trade partners has grown at nearly twice the rate of Canada's overall trade over the past 5 years.
- Canada primarily buys apparel, clothing, and textiles from the developing world; and primarily sells edible vegetables, fruits, cereals and fertilizers.
- Canada is a key trade partner for a number of smaller developing countries (especially in Latin America and the Caribbean).
- While Canada offers a range of market access measures and trade support through preferential trade agreements and free trade, which benefit many developing countries, there remains scope to improve trade policy coherence from a development perspective as many of Canada's priority development partners lose more by way of import tariffs than they gain by way of aid from Canada.
- Canada needs a differentiated approach that takes into account the varied capacities and circumstances of developing countries, and a more integrated strategy that better links trade and aid policy.

CANADA'S TOP 20 DEVELOPING COUNTRY TRADE PARTNERS

● TRADE DEFICIT ● TRADE SURPLUS
*all data and rank order is for 2015 unless otherwise specified
↗ = rate of growth in total trade for the fastest growing developing country trade partners (CAGR calculated from 2010-2015)



Canada's top 20 developing country trade partners' account for \$173.3 billion in total trade, making up 94% of trade with developing countries; or approximately 17% of Canada's trade with all countries.



REGIONAL TRADE STATISTICS (2015)

*all data and rank order is for 2015 unless otherwise specified

SUB-SAHARAN AFRICA

BoT: **-\$252M**
% of total trade 0.51%
total trade value: \$5.4B
↘ **-4.0%**

EAST ASIA & PACIFIC

BoT: **-\$63.2B**
% of total trade 15.2%
total trade value: \$159B
↗ **6.7%**

MIDDLE EAST

BoT: **-\$535M**
% of total trade 1.03%
total trade value: \$11.1B
↘ **-3.5%**

LATIN AMERICA & THE CARIBBEAN

BoT: **-\$28.9B**
% of total trade 5.73%
total trade value: \$61.5B
↗ **4.8%**

SOUTH ASIA

BoT: **-\$163M**
% of total trade 1.17%
total trade value: \$12.3BB
↗ **12.4%**

NORTH AMERICA

BoT: **-\$115B**
% of total trade 65.6%
total trade value: \$689.7B
↗ **6.7%**

EUROPE & CENTRAL ASIA

BoT: **-\$28.9B**
% of total trade 10.7%
total trade value: \$113B
↗ **2.6%**



↗ = rate of growth in total trade for the fastest growing developing country trade partners (CAGR calculated from 2010-2015)

TRADE BY INCOME GROUPS (2015)

*IMPORTS vs EXPORTS

LOW INCOME

\$1.45B > \$345M
% of total trade 0.13%
total trade value: \$1.8B
↘ **-7.8%**

LOWER-MIDDLE INCOME

\$18B > \$11.2B
% of total trade 2.66%
total trade value: \$29B
↗ **+7.6%**

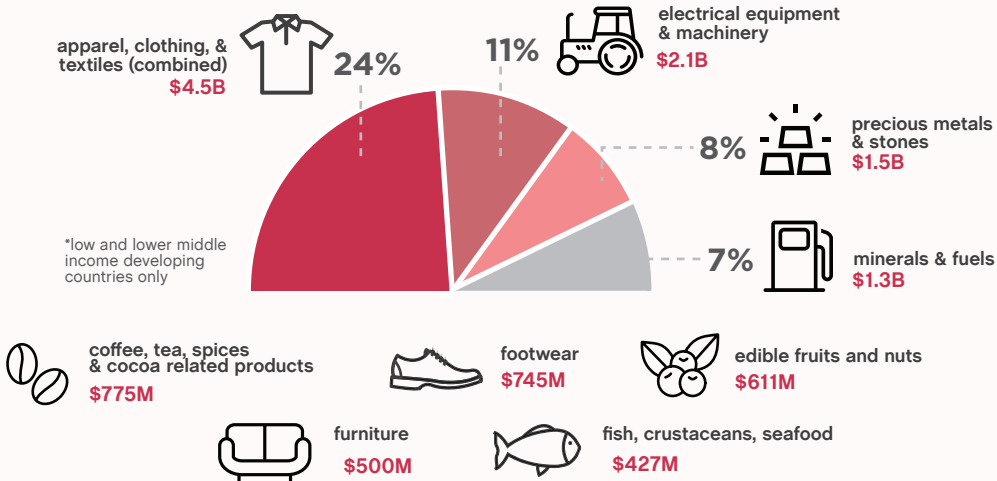
UPPER-MIDDLE INCOME

\$119B > \$37B
% of total trade 14.8%
total trade value: \$156B
↗ **+4.7%**

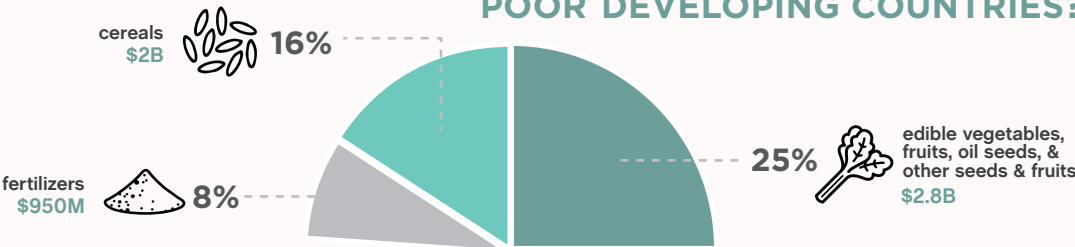
HIGH INCOME

\$397B < \$469B
% of total trade 90.6%
total trade value: \$866B
↗ **+6.1%**

WHAT DOES CANADA IMPORT FROM POOR* DEVELOPING COUNTRIES?



WHAT DOES CANADA EXPORT TO POOR* DEVELOPING COUNTRIES?



CANADA'S FREE TRADE AGREEMENTS

5 recent FTAs brought into force with developing countries:



Concluded FTAs that involve developing countries: TPP and Ukraine
Exploratory discussions: Thailand, Philippines, Turkey and MERCOSUR

POLICY COHERENCE:
IMPORT TARIFFS, TRADE, & DEVELOPMENT

\$4.3B





Canada collects approximately \$4.3 billion in import tariffs a year


*based on 2013 data

Most developing countries are over-represented in tariff collection relative to their share in Canadian imports



The single largest tariff source is China, which alone accounts for 41% of tariffs collected - yet only accounts for 11% of total imports into Canada. Other examples include Vietnam, India, and Indonesia: *based on 2013 data

	 Tariffs Collected	VS	 Total Imports Into Canada
CHINA	41%	>	11%
VIETNAM	3.6%	>	0.4%
INDIA	2.5%	>	0.6%
INDONESIA	1.7%	>	0.3%

This is because developing countries are often competitive in the Canadian import market in the very product areas that carry tariffs. Tariffs collected as a share of imports are higher in the case of most developing countries, relative to the Canadian average.

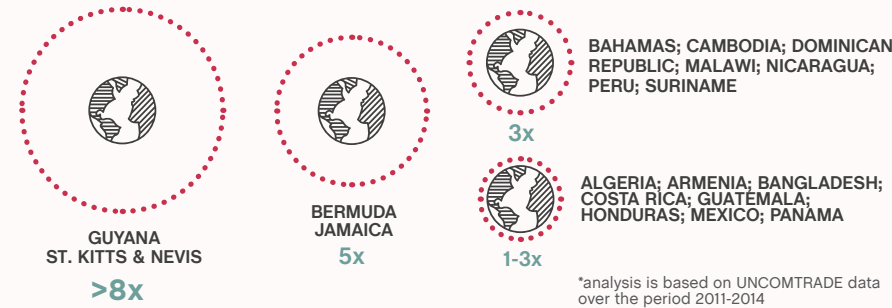
 Apparel, clothing and textiles are the largest combined product area off which tariffs are collected – at approximately \$1.7 billion; or 40% of total tariffs

In many cases tariffs collected exceed all aid (including ‘aid for trade’) provided by Canada to the same countries, including several development focus and partner countries:

	 Aid Provided	VS	 Tariffs Collected
VIETNAM	\$94M	<	\$155M
INDONESIA	\$36M	<	\$74M
PHILIPPINES	\$20M	<	\$25M
SRI LANKA	\$19M	<	\$23M

DEVELOPING COUNTRIES WITH A COMPARATIVE ADVANTAGE IN CANADA’S IMPORT MARKET

A country has a revealed comparative advantage when its share in the Canadian import market is greater than its share of exports globally. This is a simple way of estimating which developing countries are particularly competitive in the Canadian market.

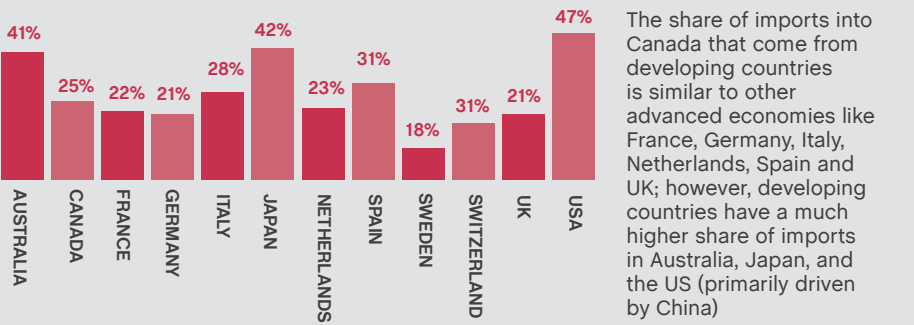


For these developing countries Canada is a key trade partner and export destination. For example, Guyana's share in the Canadian import market is 12times its share of global exports, and Guatemala's share of the Canadian import market is 50% higher than its share of global exports. Canada offers preferential market access and other trade related support in many of these countries.

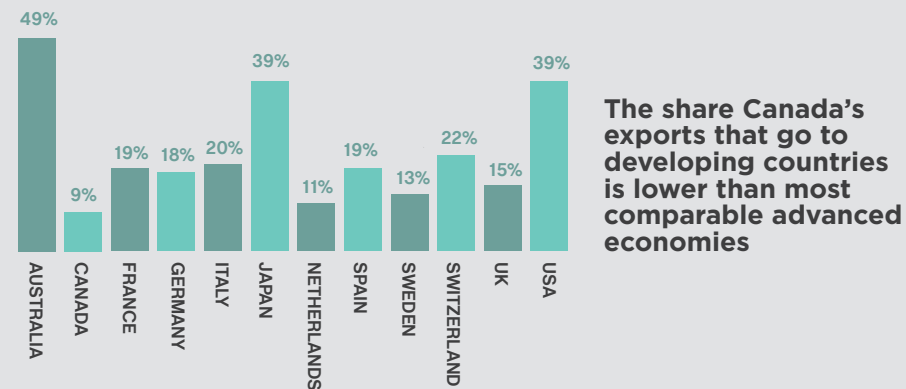
HOW DOES CANADA’S TRADE PATTERN WITH DEVELOPING COUNTRIES COMPARE WITH THAT OF OTHER ADVANCED ECONOMIES?

Canada has a substantial positive balance of trade with high income countries, primarily due to mineral exports to the US. About 25% of imports into Canada come from developing countries (low, lower and upper middle income); and 9% of exports from Canada go to developing countries.

SHARE OF IMPORTS COMING FROM DEVELOPING COUNTRIES



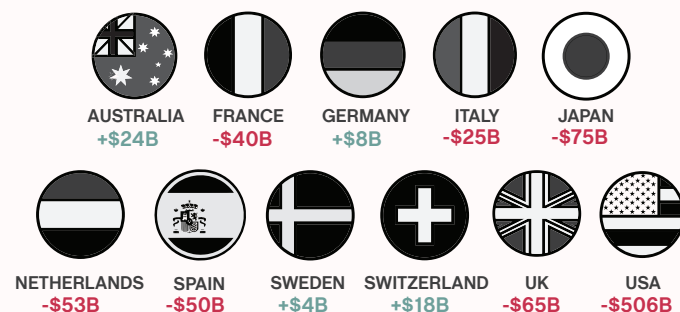
SHARE OF EXPORTS GOING TO DEVELOPING COUNTRIES



HOW DOES CANADA'S BALANCE OF TRADE WITH DEVELOPING COUNTRIES COMPARE WITH THAT OF OTHER ADVANCED ECONOMIES?

Canada has a substantial trade deficit with developing countries – around \$74 billion – driven primarily by China and Mexico, but it also has a deficit with lower income developing countries

This means developing countries gain (in net terms) financially from trade with Canada as they sell more to than buy from Canada.



MIGRATION & REMITTANCES

Canada is a country of immigrants, and accounts for approximately 3% of the global stock of international migrants. Migrant and diaspora communities are a major source of financial flows to communities in their countries of origin. These remittance flows are estimated to be 3 to 4 times foreign aid flows and are especially significant in middle income developing countries.

THIS SECTION DISCUSSES:

- **Where new migrants come to Canada from? And where they settle within Canada?**
- **Recent trends and patterns in migration; including which categories are growing rapidly**
- **Outward remittance flows from Canada**
- **Major developing countries and how much they receive in remittance flows from Canada**

It also benchmarks Canada's performance against other comparable advanced economies, for example:

- **How does Canada perform compared to other advanced economies when it comes to migrant integration policies?**
- **How does the pattern of remittance outflows from Canada compare with that of other advanced economies?**

HIGHLIGHTS

- Migrants come to Canada in two main categories: temporary migrants and permanent residents.
- Approx. 250,000 permanent residents enter Canada each year.
- In addition approx. 500,000 temporary migrants receive one of 3 types of temporary status in Canada – international mobility program participants, international students, or temporary foreign workers.
- The fastest growing countries of origin from which migrants come to Canada include: China, India and the Philippines.
- The pace of growth in temporary migration has far outstripped permanent migration (which has remained static).
- Growth in temporary migration is driven in particular by international students from China and India. International students contribute an estimated \$3.2 billion a year in tuition fees alone into the Canadian economy.
- Canada is the 6th largest global source of remittances and accounts for about 4% of global remittance outflows.
- Outward remittances from Canada in 2014 are estimated at US\$22.7 billion; the bulk of which go to large middle income developing countries (e.g. China, India, Philippines and Vietnam).
- Remittance flows far outstrip foreign aid in a number of Canada's development focus countries (e.g. Philippines, Vietnam and Colombia).
- Canada performs well on migrant integration measures; however linking migration and refugee settlement policies with development assistance remains an area of opportunity.
- Data gaps limit a more integrated understanding of migration flows, remittance outflows and the use of financial channels by Canadian diaspora communities.

TOP 20 SOURCES OF MIGRANTS INTO CANADA

● PERMANENT ● TEMPORARY

*all data and rank order is for 2014 unless otherwise specified

Canada has one of the highest rates of migration intensity of any country in the world. In 2014, about half a million temporary migrants and a quarter of a million permanent residents arrived in Canada. Migration patterns to Canada have changed rapidly in recent years. While permanent migration has remained nearly unchanged, temporary migration has grown rapidly over the past decade. This is driven by a more than doubling of foreign workers and international students entering Canada between 2000 and 2014. Asian countries are the largest and fastest growing sources of migration to Canada - especially China, India and the Philippines.

1. CHINA



PERMANENT: 24,620
TEMPORARY: 79,935

2. INDIA



PERMANENT: 38,335
TEMPORARY: 53,840

3. PHILIPPINES



PERMANENT: 40,020
TEMPORARY: 34,340

4. MEXICO



PERMANENT: 4,445
TEMPORARY: 29,435

5. IRAN



PERMANENT: 16,745
TEMPORARY: 3,935

6. JAMAICA



PERMANENT: 3,040
TEMPORARY: 11,255

7. PAKISTAN



PERMANENT: 9,110
TEMPORARY: 3,705

8. BRAZIL



PERMANENT: 1,900
TEMPORARY: 10,345

9. NIGERIA



PERMANENT: 4,140
TEMPORARY: 7,550

10. VIETNAM



PERMANENT: 2,470
TEMPORARY: 3,515

11. GUATEMALA



PERMANENT: 295
TEMPORARY: 5,575

12. UKRAINE



PERMANENT: 2,515
TEMPORARY: 3,145

13. ALGERIA



PERMANENT: 3,645
TEMPORARY: 1,740

14. MOROCCO



PERMANENT: 2,460
TEMPORARY: 2,310

15. COLOMBIA



PERMANENT: 2,845
TEMPORARY: 1,735

16. EGYPT



PERMANENT: 3,135
TEMPORARY: 1,305

17. BANGLADESH



PERMANENT: 2,225
TEMPORARY: 2,025

18. IRAQ



PERMANENT: 3,885
TEMPORARY: 100

19. VENEZUELA



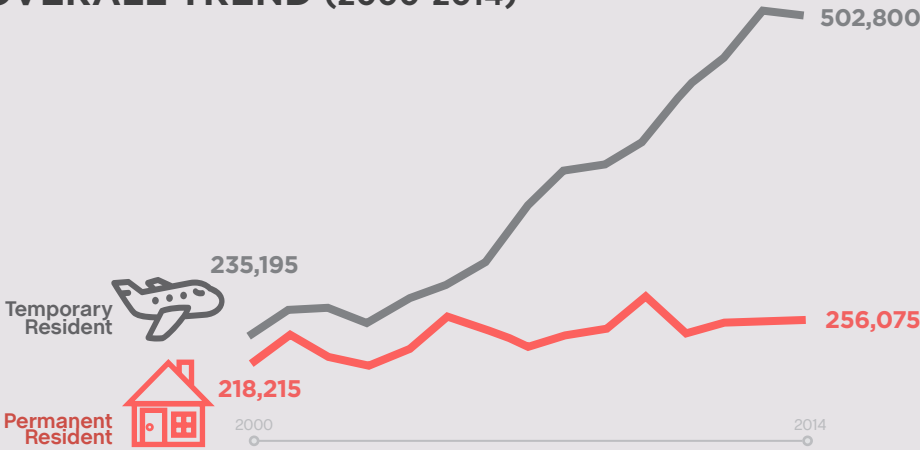
PERMANENT: 1,475
TEMPORARY: 2,510

20. HAITI



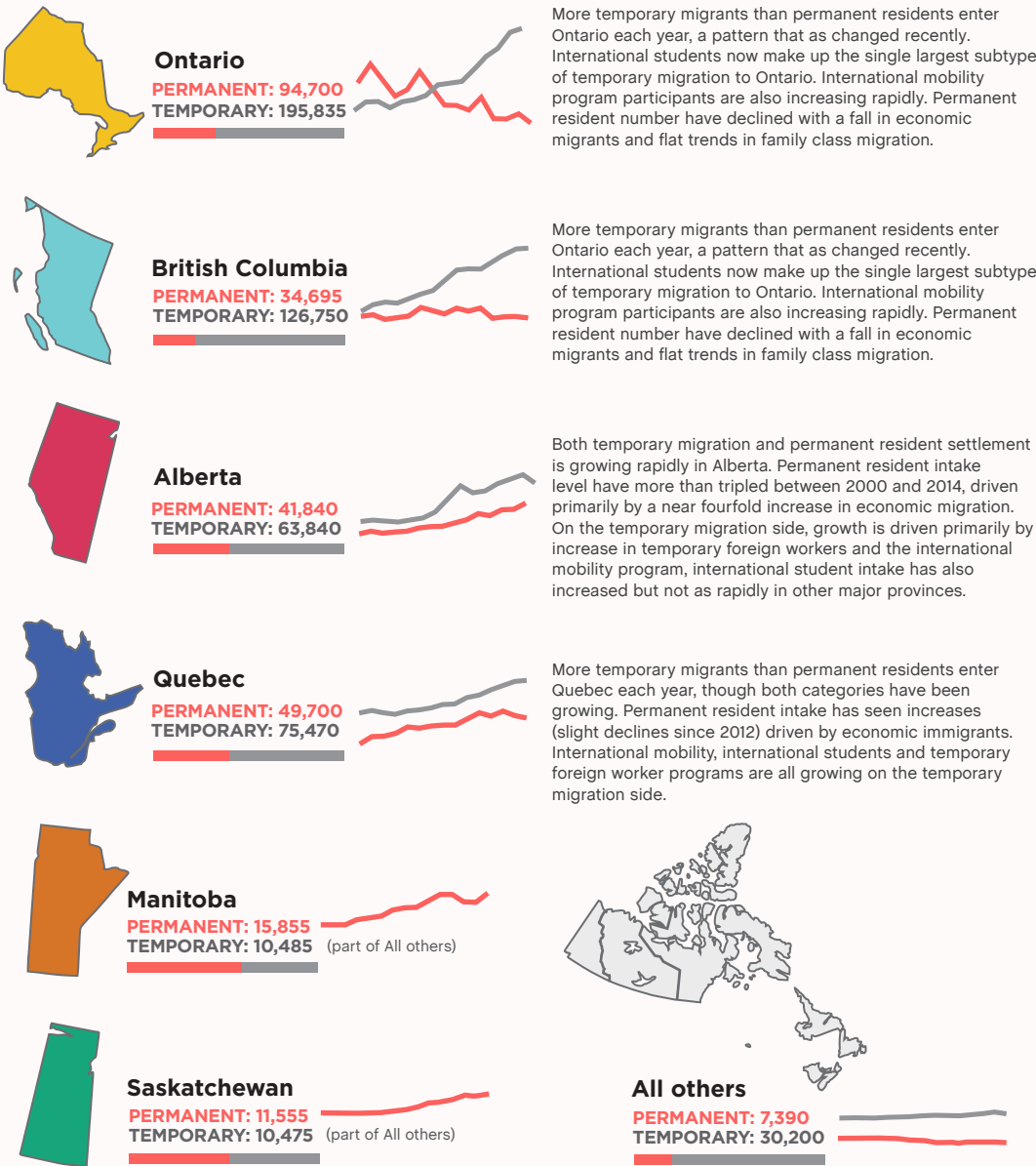
PERMANENT: 3,300
TEMPORARY: 550

PERMANENT VS. TEMPORARY MIGRATION: OVERALL TREND (2000-2014)



MIGRANTS TO CANADIAN PROVINCES & TERRITORIES (2014)

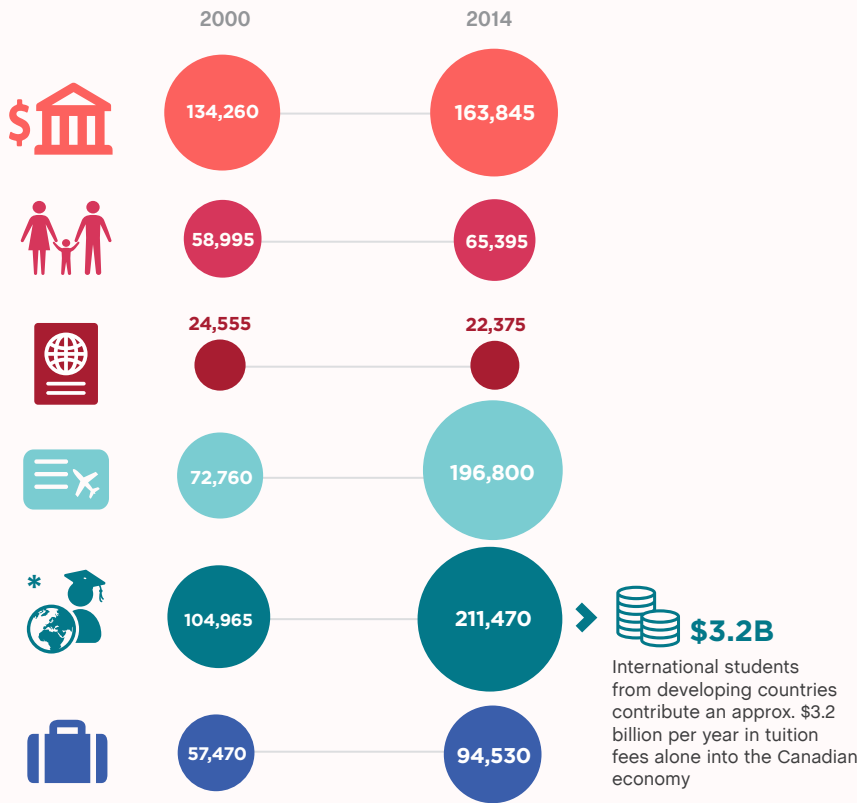
*trend is 2000 to 2014



MIGRATION PATTERNS BY SUBTYPE

MIGRATION TYPE

- PERMANENT:** Economic Immigrant Family Class Refugee
- TEMPORARY:** International Mobility Program International Student Temporary Foreign Worker Program



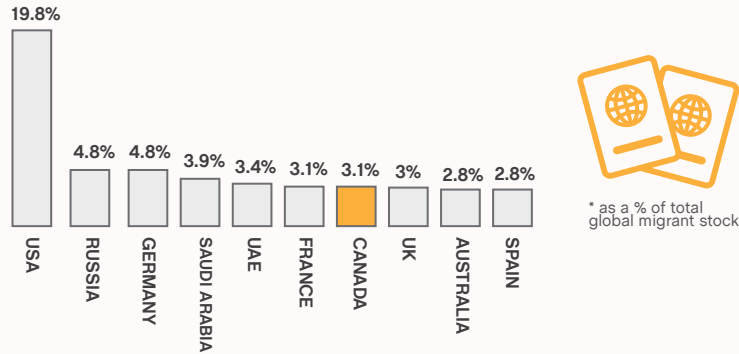
Two categories are driving Canada's migration trend: a sharp increase in international students and in the international mobility program - which are the two fastest growing categories, and now make up the largest categories of migrants entering Canada each year, they are followed by economic migrants that settle as permanent residents, temporary foreign workers, and family class permanent residents.

* 68% of international students come to Canada from developing countries.

The top 5 developing countries from which international students come to Canada are: China, India, Brazil, Nigeria and Mexico.

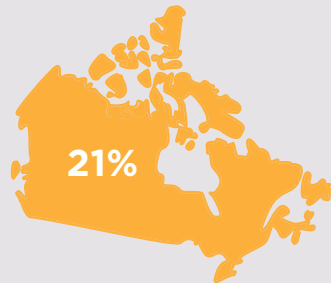
GLOBAL MIGRANT STOCK

Canada accounts for approximately 3% of the global stock of immigrants



MIGRATION INTENSITY

Canada has one of the highest migration intensity rates among advanced economies with significant immigrant populations



Canada ranks 2nd (at 21%) behind Australia (27%) among advanced economies with significant migrant populations in terms of migration intensity.

*immigrant stock as a share of total population

MIGRATION INTEGRATION POLICY INDEX (MIPEX)

Among advanced economies with significant immigrant populations, Canada is one of the best performers on the migrant integration policy index (MIPEX)

MIPEX Rankings

1	SWEDEN	78
2	PORTUGUAL	75
3	NEW ZEALAND	70
4	FINLAND	69
4	NORWAY	69
6	CANADA	68
7	BELGIUM	67
8	AUSTRALIA	66
9	USA	63
10	GERMANY	61
11	NETHERLANDS	60
11	SPAIN	60
13	ITALY	59
13	DENMARK	59
15	LUXEMBOURG	57
15	UNITED KINGDOM	57
17	FRANCE	54
18	SOUTH KOREA	53
19	IRELAND	52
20	AUSTRIA	50



MIPEX measures performance on migrant integration policies across 38 countries, spanning 167 indicators in 8 policy areas.

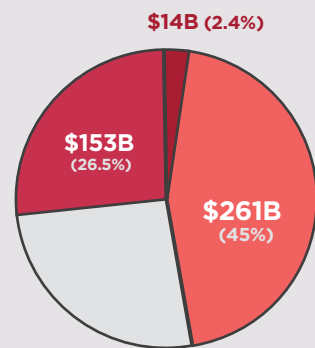
Canada performs particularly well on anti-discrimination policies, labour market mobility and family reunion policies, but lags on accessibility and responsiveness of the healthcare system and policies to stimulate greater political participation by migrant communities.

TOP 20 DEVELOPING COUNTRY RECIPIENTS OF REMITTANCES FROM CANADA

*all data and rank order is for 2014, and all remittance data are in US\$, unless otherwise specified

The top 20 developing countries received a total of \$13.4bn from Canada in 2014, which is 92% of what all developing receive, or 60% of total remittance outflows from Canada.





PATTERN OF REMITTANCE FLOWS BY INCOME GROUPS (2014)

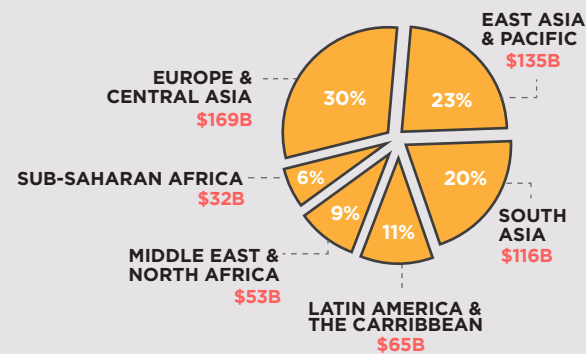
● Lower middle ● Upper middle ● Low

About 73% of global remittances go to developing countries



This is about \$426 billion in 2014, or about 3x foreign aid flows. Low income countries only make up 2.4%.

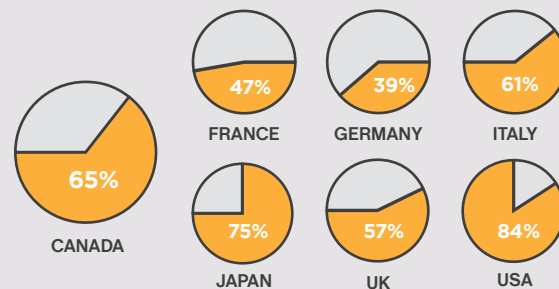
GLOBAL REMITTANCE PATTERNS ACROSS REGIONS (2014)



Europe accounts for the largest share of global remittances, around 30%, followed by East Asia and South Asia. Sub-Saharan Africa accounts for approximately 6% of global remittances, even so, at \$32 billion remittances are comparable to foreign aid levels in the region.

HOW CANADA COMPARES WITH OTHER G7 COUNTRIES

● remittance outflows to developing countries* (% of total remittances) *low and lower-middle income countries



About 65% of remittance outflows from Canada go to developing countries. This figure, at \$14.6 billion in 2014, is more than 2.5 times Canada's total foreign aid flows.

Europe accounts for the largest share of global remittances. However, these flows are predominantly among countries within the region. The share of developing countries is higher in the case of Japan and the US - the former due to proximity to developing countries in Asia, and the latter due to Mexico.

FOREIGN INVESTMENT

Private foreign investment has two main components: foreign direct investment (FDI) and portfolio investment (which includes equity and debt instruments). The total stock of Canadian outward FDI in 2014 is estimated at approx. \$780 billion. The total market value of Canada's foreign portfolio investment at the end of 2014 is estimated at \$1.38 trillion (includes both equity and debt). Developing countries account for a small but growing share Canada's private foreign investment footprint.

THIS SECTION DISCUSSES:

- **Top 15 destinations of Canadian FDI among developing countries**
- **Top 15 destinations of Canadian portfolio investment in developing countries**
- **Canada's net FDI position with key emerging economies**

It also benchmarks Canada's performance against other comparable advanced economies, for example:

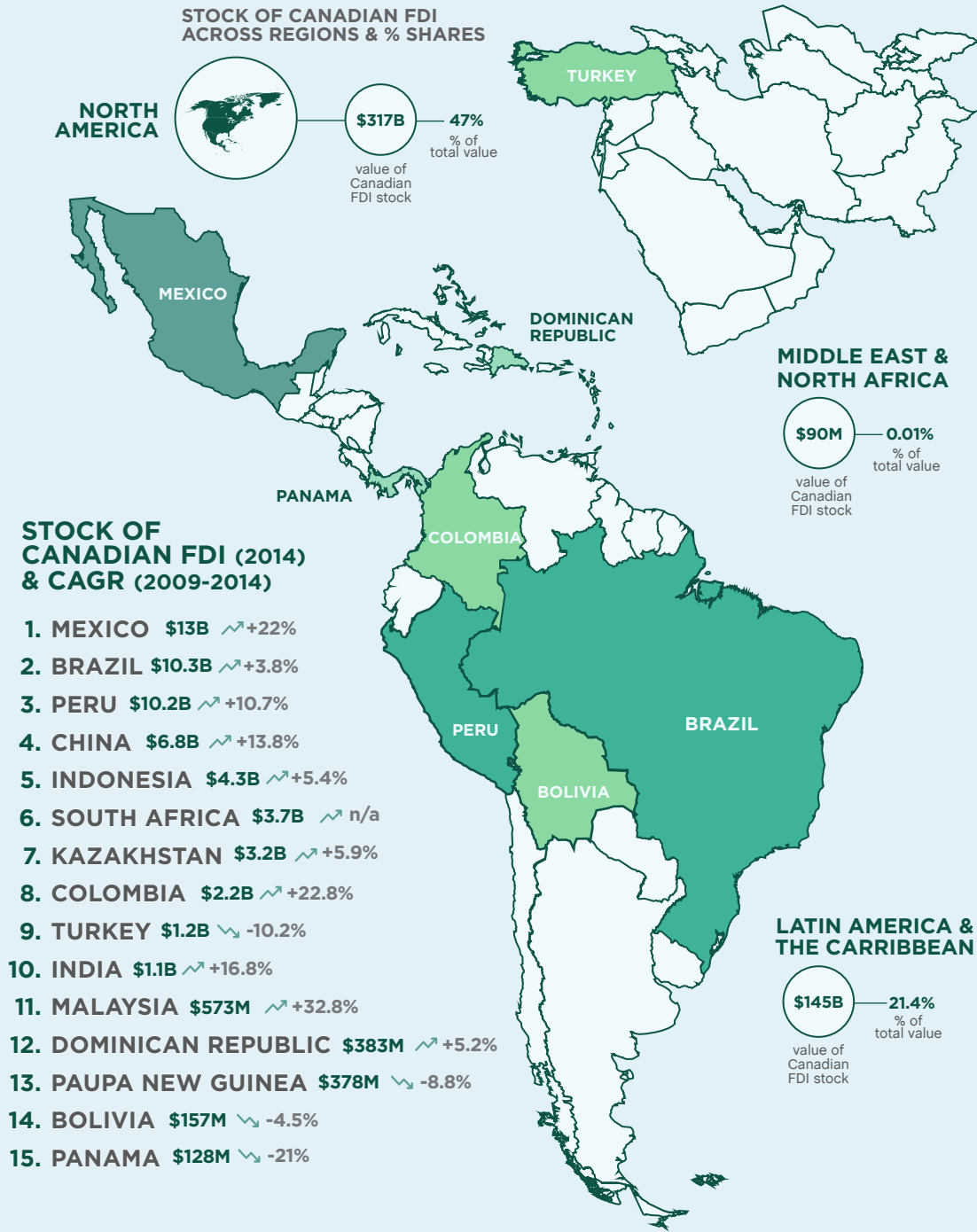
- **How open or restrictive is Canada when it comes to foreign investment?**
- **How does Canada's pattern of investment in developing countries compare with that of advanced economies?**

HIGHLIGHTS

- Developing countries account for a small fraction of Canadian foreign investment.
- Only approx. 8% of FDI from Canada is in low, lower middle or upper middle income countries; and the share that developing countries make up in Canadian owned debt and equity holdings is even smaller at around 5%.
- Nevertheless, Canadian FDI in developing countries is growing at about twice the pace of overall outward FDI (2009-2014).
- Outside of high income countries. Canadian outward FDI is concentrated in two regions: Latin America and the Caribbean (21%), and East Asia (7%).
- The largest and fastest growing destinations for Canadian FDI overseas include: Mexico, Brazil, Peru, China and Indonesia.
- Canada's net FDI position with large emerging economies - China, Brazil and India - has changed rapidly, and these countries are now bigger investors in Canada than Canada is in them.
- Data and information gaps seriously limit analysis of Canadian investment in developing countries and investment from developing countries in Canada. For instance, in 2014, FDI data were suppressed for 66 out of 176 countries and or regional aggregates, due to confidentiality considerations.
- While these gaps are known and being addressed, more work is needed.
- The financing required to meet ambitious global goals such as the SDGs or climate change will not be achievable through foreign aid alone. Increasingly, discussions are already shifting to creative approaches by which public and private investment can be linked in order to leverage one another. One step in this direction is a development finance institution (DFI).
- Canada announced a \$300 million allocation (over 5 years) towards a new Canadian DFI in the 2015 budget. This idea needs to be built on. We have outlined 4 key principles that should guide Canada's DFI: it should put development impact at the top; complement not substitute for traditional aid; aim to be self-sustaining; and be able to leverage private capital from financial markets to fund development objectives.

TOP 15 DESTINATIONS OF CANADIAN FDI AMONG DEVELOPING COUNTRIES

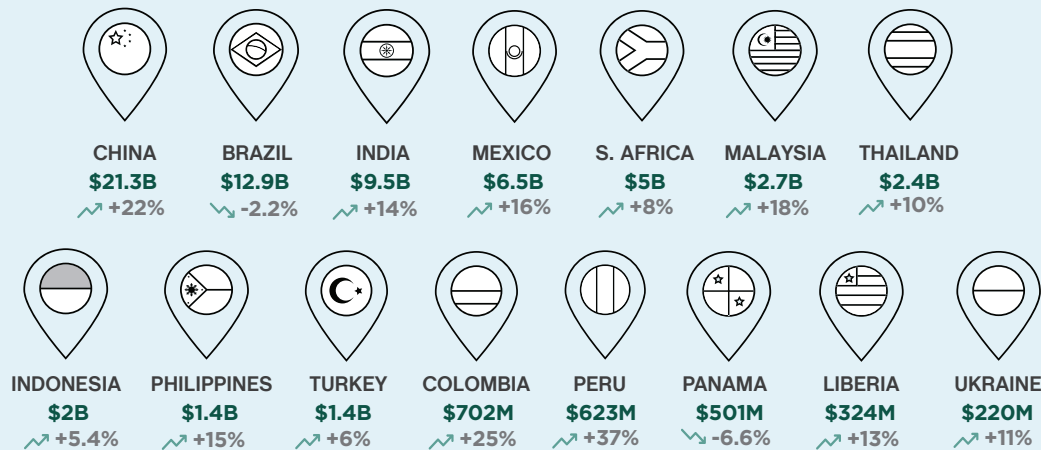
92% of total Canadian overseas FDI is in other high income countries, only about 8% is in developing countries. From 2009-2014 Canadian FDI grew at a CAGR of 5%, while FDI to developing countries grew at a CAGR of 9% (from \$37.5bn to \$58bn). However, in aggregate terms Canadian FDI in developing countries remains small and concentrated in two regions, Latin America and East Asia.



CANADIAN PORTFOLIO INVESTMENT OVERSEAS (2014)

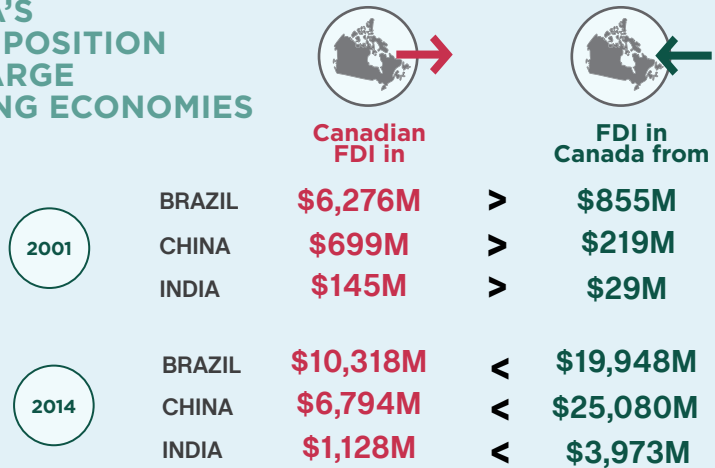
Top 15 markets among developing countries:

*amounts in CAD, at market value; CAGR calculated using data from 2010-2014



Portfolio investment comprises equity and debt investments. The vast majority Canadians' foreign portfolio holdings are in other high income countries (95%) and the largest share in the US. However, the value of portfolio holdings in large emerging and developing countries is increasing rapidly, as a result of both greater attention by Canadian investors and market performance.

CANADA'S NET FDI POSITION WITH LARGE EMERGING ECONOMIES



Brazilian FDI in Canada is nearly 2x Canadian FDI in Brazil; Chinese and Indian FDI in Canada is nearly 4x Canadian FDI in these countries. This pattern has changed in a short period of time. Canada is a key investment destination for these countries and this trend is expected to continue.

FDI RESTRICTIVENESS INDEX

The OECD's FDI Restrictiveness Index measures restrictions on foreign direct investment in 58 countries. Among advanced OECD economies, Canada ranks as one of the most restrictive, and far higher than the OECD average. Key sectors that contribute to this include: restrictions on FDI in the media sector including radio and TV; mobile telecom and communications sectors; air transport; and fisheries.



DATA AND INFORMATION GAPS IN THE AREA OF INVESTMENT

66/176: Number of countries and or regional aggregates for which Canadian FDI data were suppressed in 2014

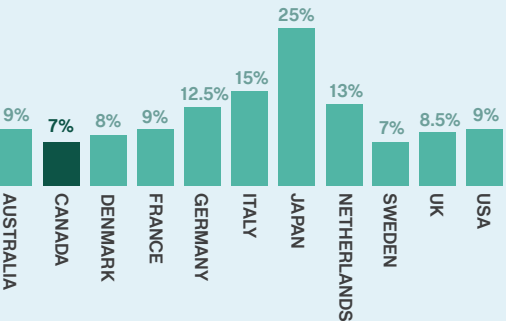
Key data and information gaps in the area of international investment are a major barrier to evidenced-based policy analysis. FDI data are routinely suppressed by official sources, due to confidentiality considerations, for a number of countries where a small number of firms account for the bulk of Canadian investment.



FDI data are collected through a survey process that is not entirely transparent or replicable. Data are only available on a stock basis (and not flows during a given year) making comparisons difficult. Significant revisions to past data series, a process known as 'backwardization', have led to inconsistencies in data presented across different official sources, and cause analytical challenges. Sector level FDI data are not available at a sufficiently granular level such as by country. Efforts are underway to address some of these issues, but more work and attention is needed across a range of stakeholders.

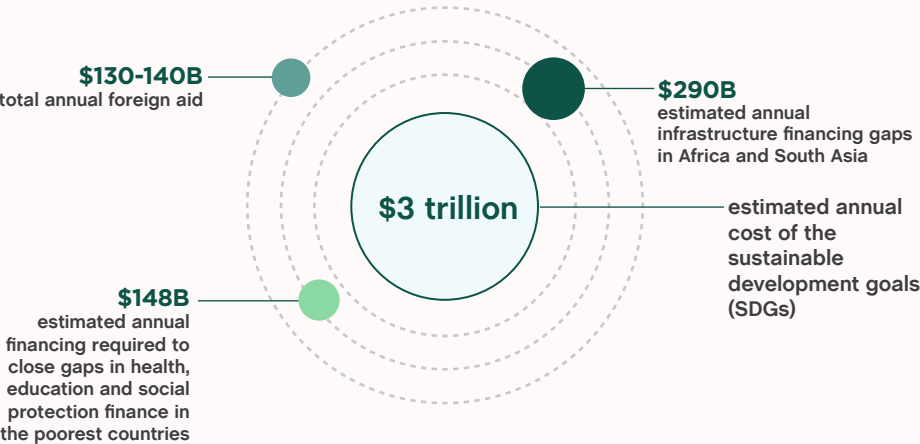
HOW CANADA'S FDI IN DEVELOPING COUNTRIES COMPARES WITH OTHER ADVANCED ECONOMIES

* % of total FDI stock in low, lower middle and middle income countries, based on IMF data



The pattern for Canada is similar to other comparable advanced economies. Most FDI from advanced economies tends to be in other advanced economies.

CANADA’S DEVELOPMENT FINANCE INITIATIVE:
MAKING IT HAPPEN, GETTING THE DETAILS RIGHT



Ambitious development objectives need not be thought of as having to be achieved through foreign aid alone. Aid is an increasingly stretched resource relative to growing needs, from pressures such as humanitarian crises, the need for climate finance to the costs related to financing the SDGs.

These gap estimates look daunting in isolation, but, from the perspective of investable capital in the global economy they are not that far out of reach. The World Bank estimates that developing countries will continue to increase their share of global savings. Gross capital flows to developing countries could increase from around \$1.3 trillion per year in 2010 to between \$6 and \$13 trillion by 2030.

A key bottleneck is that the plumbing of the financial system is broken. Investment doesn't always flow to where it is most needed or where it has the best possible chance of making the best available returns, whether purely financial returns or combined development and financial returns.

DFIs can play an important role in fixing these gaps by encouraging private sector investment in developing countries. The participation of the private sector in development is critical not only as an important resource generator but also as a key agent in poverty reduction.

Canada should therefore proceed with and build on the \$300 million (over 5 years) allotted towards setting up a DFI in the 2015 budget.

- 4 principles are key when doing so:
- Place development at the top of the DFI's mandate
 - Complement and supplement foreign aid
 - Aim to be self-sustaining
 - Leverage private capital from financial markets

World Bank, *Global Development Horizons* (2013); ODI, *Financing the Future* (2015); CIDP, *Canada's DFI* (2016)

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TECHNICAL DETAILS

FOREIGN ASSISTANCE

Map indicates top 10 recipients of Canadian international assistance in 2015 using the Statistical Report on International Assistance raw data. Both bilateral and multilateral assistance is included. While top 10 are marked and ranked around the map, the 25 development focus and 12 development partner countries are also indicated.

Regional breakdowns are based on OECD-DAC gross national product (GNP) classification systems, which may be different from World Bank categorization (used in most other areas in the report including trade, investment, migration and remittances).

Income groups are based on OECD-DAC GNP classification and may differ from other categorization. Un-coded by region, income groups, and very small categories (like 'more advanced developing economies' etc.) are combined.

Canadian aid as a share of total aid received is calculated using OECD-DAC data, and as a period average to smoothen volatility (2000 to 2014).

Targeting the neediest is calculated using OECD-DAC data and includes only low income and least developed countries. Period average (2000 – 2014) is used.

Focusing on fragility is calculated using both the World Bank's fragile situations list and the OECD's INCAF list. Fragility lists from 2015 are used. Period averages (2000-2014) are used.

Gender analysis is conducted by applying the Global Affairs Canada “gender marker”. Historical project level data from the GAC open data portal is used. The marker in Canadian data are more granular and have 4 possible values from very explicit, to explicit to gender focused or gender not targeted. To ease analysis the three categories are subsumed into gender focused vs. not gender focused. The markers are applied at the project count and the project value level. The area graph shows project value level analysis. The full value of a project is included if marked as gender focused. For comparative analysis OECD-DAC gender marker analysis and data are used (for more please see the specific reference).

Partnerships data are based on GAC open data, at the project level.

Global humanitarian rank and share are calculated based on the Global Humanitarian Assistance report’s 2015 edition. The data annex and the raw data were used to calculate the percentage, and the rank change.

Health sector focus is calculated using the Institute for Health Metrics (IHME) “development assistance for health” approach which differs from the straight OECD-DAC health coding, and provides a more comprehensive and comparative picture as it includes comparable data from non-DAC, philanthropic and other donors.

Multilateral system contribution is calculated using OECD-DAC data.

Canada's rank as a top donor is calculated using OECD-DAC summary data.

INTERNATIONAL TRADE

Canada's top 20 developing country trade partners are ranked according to total trade (exports and imports) in 2015. World Bank income classification is applied. Developing countries are those in low, lower middle income and upper middle income countries. Countries with which Canada has a trade deficit are marked in red while countries with which Canada has a trade surplus are in green.

Regional and income trade statistics are calculated by applying the World Bank’s regional classification.

Cumulative annualized growth rate (CAGR) is calculated over the 2010-2015 period.

Product level trade analysis is conducted using the harmonized system (HS) at the HS2 level. Some HS2 codes that are closely related (such as in the area of apparel) may be combined.

Free trade agreement status is as of May 2016.

Trade and development policy coherence is analyzed using import tariff data at the HS10 level and trade data at the same level, which is aggregated up to facilitate comparison. Data come from the University of Toronto CHASS project and raw Canadian International Merchandise Trade (CIMT) data from the open data portal (see data sources for details). Aid for trade data are drawn from OECD-DAC, and comparative aid data are from OECD-DAC and Canadian open data.

Revealed comparative advantage (RCA) is calculated at the country level. In this case RCA is conducted at the aggregate (and not product) level. The ratio compares the share a given country has in the Canadian import market, relative to the share it has in the global export market. When the ratio is above 1, a country has a RCA in the Canadian import market. For e.g. if a country 'x' has 2% market share in Canadian imports, but only makes up 1% of global exports, its ratio would be 2x. Data for this analysis is drawn from UNCOMTRADE. The ratio is averaged over a period range 2011-2014, to smoothen volatility (which is especially important in dyad level trade data for relatively small trading partners).

Comparison with other advanced economies is conducted using UNCOMTRADE data. This includes analysis of the share developing countries make up in the respective import markets of the comparator economies, and the share of exports that go to developing countries.

Balance of trade analysis (exports – imports) is conducted using UNCOMTRADE data. Data are for 2014.

MIGRATION AND REMITTANCES

Map indicates top 20 sources of migration to Canada by country of origin, for 2014. Rank order is based on combined total (permanent and temporary). Data are drawn directly from CIC (see data sources details) based on a structured request.

Trend comparison of permanent and temporary is based on the total of sub-types within each. Major sub-types within permanent are economic immigrants, family class, refugee and a small number classified as 'other'. Permanent data are on 'year of admission' basis. Sub-types within temporary are international mobility program, international students and temporary foreign worker program. Temporary migration data are on 'year in which permit(s) became effective' basis.

Provincial disaggregation is provided based on province of settlement data (which is obtained through the special structured request). Data are available for each type and sub-type.

Sub-type comparison, between 2000 and 2014, is provided based on the six main sub-types (see above) within permanent and temporary migration.

International students' tuition contribution is based on 2014 permit issue data, multiplied by the (unweighted) average tuition rate that is obtained from Statistics Canada surveys (see data sources for details, summary data are obtained from The Daily). World Bank country income classification is applied to estimate the share of international students coming from developing countries which includes low, lower middle and upper middle income countries.

Global migrant stock percentage share is calculated using the UN-DESA's Trends in Migrant Stock database (2015 revision).

Migration intensity is calculated using the UN-DESA's database and validated against the World Bank's data.

Migration integration policy is assessed using the data and rank order (for 2014) provided by the MIPEX project (see data source details).

Remittance outflow data are based on World Bank remittance matrices, which are combined to form a time-series. In addition World Bank income and regional classifications are applied. Top 20 developing country (low, lower middle and upper middle income) recipients are shown.

Remittance patterns by income and region are provided by applying World Bank classification, and are for 2014.

FOREIGN INVESTMENT

Map indicates the top 15 destinations of Canadian FDI across developing countries in 2014. FDI data are on a stock basis. Data are based on Statistics Canada international investment position (see data sources details) and are in Canadian dollars. Compound annualized growth rates (CAGR) are calculated as a change in stock over the period 2009-2014. World Bank income and regional classifications are applied to the country level data. These aggregations, applied throughout the investment section, may differ (though not dramatically) from the regional classification used by Statistics Canada in CANSIM (no income classification is provided in Canadian sources).

Portfolio investment data are provided on an 'at market basis'. Data are drawn from Statistics Canada (see data source details). The data combine equity and debt asset positions. CAGR is calculated over 2010-2014.

Net FDI position with large emerging economies is calculated as Canadian FDI in emerging economy (e.g. China), minus, FDI in Canada from the same emerging economy.

FDI restrictiveness is measured using the OECD's FDI restrictiveness index, data are for 2015.

Information gaps data are based on the number of countries and or regional aggregates for which Canadian FDI data are suppressed for confidentiality reasons, data are for 2014.

Comparative FDI data are based on the IMF's direct investment survey (see data sources for details), to which World Bank income classification is applied. Data are for 2014.

DFI information is based on Canadian International Development Platform analysis (see Canada's DFI: Resources and Analyses).

THE TEAM

Aniket Bhushan

LEAD AUTHOR

Principal, Canadian International Development Platform
Adj. Research Professor, Norman Paterson School of International Affairs
aniket.bhusan@carleton.ca

Rachael Calleja

Sr. Analyst, Canadian International Development Platform
PhD student, Norman Paterson School of International Affairs

Sandy Chu

Graphics, Design and Communications Specialist,
Canadian International Development Platform
MA candidate, Norman Paterson School of International Affairs

Lance Hadley

Web Development, Data Analytics and Visualization Specialist,
Canadian International Development Platform
PhD student, Norman Paterson School of International Affairs

Shannon Kindornay

Sr. Analyst, Canadian International Development Platform
Adj. Research Professor, Norman Paterson School of International Affairs

Dane Rowlands

Sr. Advisor, Canadian International Development Platform
Director, Norman Paterson School of International Affairs

Yiagadeesen Samy

Sr. Advisor, Canadian International Development Platform
Associate Professor, Norman Paterson School of International Affairs

Purbita Sengupta

Analyst, Canadian International Development Platform
PhD student, University of Toronto



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5306 River Building, 1125 Colonel By Drive | Ottawa, ON | Canada | K1S 5B6

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