

DEPARTMENT OF FINANCE CANADA \$544.56 MILLION

Finance Canada's ODA¹² for fiscal year 2012–2013 totalled \$544,562,173.

Reporting of Finance Canada's payments under the *Official Development Assistance Accountability Act* (ODAAA) was informed by web consultations held by the department in December 2012. Input received through the consultations will be used to inform the engagement of the Department of Finance with its partners and will lead to more robust reporting through the annual *Report on Operations under the Bretton Woods and Related Agreements Act*. The report will now more explicitly describe how our engagement through the World Bank Group aligns with the ODAAA.

During the fiscal year 2012–2013, the Department of Finance made the following ODA disbursements:

INTERNATIONAL DEVELOPMENT ASSOCIATION: \$441,610,000

The International Development Association (IDA) is the World Bank Group's principal financing tool for the world's poorest countries, providing them with interest-free loans and grants. The Government of Canada is providing \$1.3 billion to IDA over three years, beginning in 2011–2012, as part of its 16th replenishment round (IDA 16)—making Canada the sixth-largest donor. This contribution equates to payments of \$441.6 million in each of the three years covered by IDA 16.

This funding allows IDA to finance programs that boost economic growth, reduce inequalities and improve people's living conditions. A particular focus of Canada's negotiation for IDA 16 was to enhance IDA's focus on effective aid delivery, and to provide special assistance for fragile states such as Afghanistan and Haiti while ensuring countries do not take on unsustainable levels of debt.

Discussions are presently underway for IDA's 17th replenishment round, which would provide financing to

¹² The assistance reported meets the requirements of the *Official Development Assistance Accountability Act* and is consistent with the reporting guidelines for development assistance prepared by the Organisation for Economic Co-operation and Development (OECD).

member countries beginning July 1, 2014. Canada's updated financial contribution will be determined through the course of this negotiation process.

More information is available on the International Development Association (IDA)¹³ website.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT CAPITAL INCREASE: \$41,752,173

In response to the 2008–2009 financial crisis, a series of coordinated capital increases were granted to all major multilateral development banks, including the World Bank Group. The members of the World Bank Group's International Bank for Reconstruction and Development (IBRD) authorized a capital increase of USD \$86 billion, of which Canada's share is USD \$1.6 billion, comprised of:

- USD \$98 million to be paid in cash; and
- USD \$1.5 billion as a guarantee subject to call in the event of future capital requirements.

Members have five years over which to subscribe to the shares allocated in this increase. Canada has chosen to meet its financial commitment ahead of schedule, including a contribution of USD \$680,984,575 in 2012–2013, of which USD \$40,853,398 (CAD \$41,752,173) was paid in cash and the remainder being subject to call. This contribution fulfills Canada's capital commitments to the IBRD.

MULTILATERAL DEBT RELIEF: \$51,200,000

Multilateral debt-relief disbursements are considered to be ODA-eligible as they contribute to poverty reduction by freeing up resources (which would otherwise be used to service sovereign debts) for use in more productive investments (e.g. health, education, infrastructure, etc.) that support long-term economic growth and development. Further, debt-relief recipients self-direct additional

¹³ <http://www.worldbank.org/ida/>