

Pre-Budget Consultation Submission

February 16, 2016

Executive Summary

RESULTS Canada is a global movement of passionate citizens committed to raising their voices to build a world without extreme poverty. For almost thirty years our volunteers have harnessed the enormous power of advocacy by engaging with their Members of Parliament and their fellow voters from all across Canada.

The platform on which Canada's new government was elected has set some ambitious goals for Canada's contributions to international development, and we applaud the Government of Canada for clearly signaling its intention to deepen our country's connections to the world through a renewed focus on international engagement.

As you now prepare your committee's first pre-budget consultation report we urge you to call on the Government of Canada to backstop its stated intentions with the resources and ambition necessary to get the job done. For although the world has made tremendous progress towards eliminating extreme poverty, significant challenges remain:

- We have halved child mortality since the turn of the century, but 16 000 children under the age of five still die every day. Over half these deaths are preventable—45% alone are caused by malnutrition.¹
- We have halved maternal mortality, but 800 women still die from pregnancy-related conditions every day. Most of these deaths are entirely preventable.²
- Tuberculosis (TB) has become the world's leading infectious killer, surpassing HIV/AIDS with over 4000 deaths every day.³

To that end, we urge you to prioritize the following in budget 2016:

- 1) **Tackling infectious diseases**
- 2) **Increasing Canada's support for official development assistance**
- 3) **Expanding Canada's leadership on maternal, newborn, and child health**
- 4) **Food security and improved nutrition**
- 5) **Inclusive and equitable education**

¹ World Health Organization. 2015. *Children: Reducing mortality*. Geneva, Switzerland.

² World Health Organization. 2015. *Maternal mortality*. Geneva, Switzerland.

³ World Health Organization. 2015. *Tuberculosis*. Geneva, Switzerland.

Tackling infectious diseases

While the world has made tremendous progress in addressing some of the symptoms of extreme poverty, we're still in the midst of an epidemic of preventable disease brought on by want. For example, tuberculosis and polio are both diseases perpetuated by poverty because they're often spread through cramped living quarters and unsanitary conditions brought on by the absence of clean water and sewage systems. And while these diseases are treatable, access to treatment is a significant barrier for many of the world's most vulnerable.

The Global Fund

Canada's support for institutions like the Global Fund to Fight AIDS, Tuberculosis, and Malaria is our best defense in the fight against diseases exacerbated by poverty. By the end of this year, programs supported by the Global Fund to Fight AIDS, Tuberculosis, and Malaria are on track to save 22 million lives since the first disbursements were made in 2002. It's now time for the Fund to be replenished. A full funding replenishment for 2017-2019 will bring that total to 30-32 million lives saved by 2020.⁴

The investment case for the Global Fund is clear, and the \$13 billion (USD) needed from donor countries would lead to net economic gains of up to \$290 billion (USD) through better health and a more productive society—including through household savings and the economic contributions of those who receive lifesaving treatment.⁵ Contributions to the Global Fund are catalytic - they unlock additional funding from domestic governments. For every \$100 million (USD) Canada pledges, we generate an additional \$300 million from domestic governments. We also save up to 60,000 lives, avert up to 2.3 million new infections, and spur \$2.2 billion (USD) in long-term economic gains.⁶

Since 2002, Canada has committed more than \$2.1 billion to the Global Fund—Canada's largest contribution to an international health institution.⁷ Our last funding commitment took place in 2013 and totaled \$650 million (CAD).⁸ In 2016, Canada will be asked to once again make a pledge. We look forward to working with you to position Canada as a leader in the global fight against AIDS, TB, and Malaria.

The Global Polio Eradication Initiative

The world is on the brink of eradicating polio. But models suggest that failing to achieve eradication could result in a resurgence of polio—leading to as many as 200 000 cases of paralysis per year within a decade.⁹ Treating those cases would cost significantly more than eradication and the human costs of the disease would be immeasurable. Conversely, eradicating polio will free up scarce resources that can be invested in other global efforts to end extreme poverty. Estimates show that eradicating polio could generate net economic gains of up to \$45 billion (USD) globally over the next 30 years.¹⁰

Canadian Research and Development

⁴ The Global Fund. 2015. *The Right Side of the Tipping Point for AIDS, Tuberculosis and Malaria*. Tokyo, Japan.

⁵ Ibid.

⁶ Ibid.

⁷ Global Affairs Canada. 2015. *Global Fund to Fight AIDS, Tuberculosis, and Malaria*. Ottawa, ON, retrieved from: http://www.international.gc.ca/development-developpement/partners-partenaires/key_partners-partenaires_cles/gfatm-fmstp.aspx?lang=eng

⁸ Ibid.

⁹ Global Polio Eradication Initiative. 2014. *Economic Case for Eradicating Polio*. Geneva, Switzerland.

¹⁰ Ibid.

Diseases of poverty are woefully underfunded, and there are substantial gaps in the innovation model for novel drugs and vaccines. There is a significant role for both Canadian researchers and the federal government to play in addressing these challenges. To that end, we urge you to work with the Minister for Science to develop a fully-funded strategy to promote and enhance Canadian R&D—from basic foundational research, to clinical trials, to market authorization—for diseases of poverty.

Increasing Canada’s support for official development assistance

Almost fifty years ago, former Prime Minister Lester B. Pearson led the pledge among wealthy countries to devote 0.7 percent of gross national income (GNI) to official development assistance (ODA). This mantle has been taken up by subsequent Canadian Prime Ministers but never achieved. In fact, under the previous government Canada's overall ODA spending plunged to just 0.24 percent of GNI—its lowest level since 2001.¹¹ By comparison, the United Kingdom recently legislated a rise to 0.7 percent during a recession, a move for which it has received widespread international recognition and praise. We urge the Government of Canada to use budget 2016 as an opportunity to release a detailed timeline for meeting this goal.

If Canadian funding for international development continues to decrease, our country will simply be unable to adequately respond to the complex challenges that currently confront the world. Moreover, a renewed commitment to leadership in international development will be necessary to foster the collaborative global partnerships that will allow Canada to meet its strategic goals, including winning a non-permanent seat on the UN Security Council.

That’s why we must not break faith with the world’s poorest, even as we face challenging economic times at home. Given the current gap, it is vital that this increase start immediately. A real increase to the envelope for development assistance in this budget is essential to at minimum reverse the cuts that took place under the previous government. This would return ODA to pre-2006 levels of 0.34 percent.¹²

When referring to the 0.7 percent target at a recent joint press conference with Prime Minister Trudeau, UN Secretary General Ban Ki Moon stated that, *“Canada is a G7 country, a member of the G20, a very important country and also a very wealthy, rich country. I believe that Canada has capacity and resources. I know that the Prime Minister may have all different priorities, but I’m sure that Prime Minister Trudeau and his government will pay more focus to this matter.”* Indeed, if Canada is going to implement the United Nations’ Sustainable Development Goals, which we have committed to achieving by 2030, we cannot wait 15 years to reach the 0.7 percent target. We urge the government to use budget 2016 as an opportunity to release a costed timeline to achieve the 0.7 percent target by 2020 in a responsible manner given current fiscal restraints.

Expanding Canada’s leadership on maternal, newborn and child health

As Prime Minister Trudeau pointed out during the last election, Canada’s previous government deserves commendation for putting maternal, newborn, and child health (MNCH) on the global agenda. Their focus on this under-funded and under-prioritized area was broadly welcomed. However, this valuable work is far from complete and we urge you to continue to make MNCH a priority.

¹¹ Organization for Economic Co-operation and Development. 2016. *Official Development Assistance (ODA)*. Paris, France, retrieved from: <https://data.oecd.org/oda/net-oda.htm>

¹² Ibid.

A financial commitment to maternal, newborn and child health, particularly on sexual and reproductive health and rights, would be a solid mark of your government's direction on this file. It would be compatible with the Prime Minister's leadership on gender equality and domestic sexual and reproductive health and rights

Your government has committed to ensuring that Canada's focus on MNCH is driven by evidence and outcomes and to closing existing gaps in reproductive rights and health care for women. We welcome this pledge and encourage you to recognize nutrition, education, water, and sanitation—along with comprehensive sexual and reproductive health—as key components of improving the health of women and children.

Food security and improved nutrition

Almost 795 million people around the world have too little to eat or are malnourished—the vast majority of whom live in developing countries, where 12.9 percent of the population is undernourished.¹³ As one of the world's largest donors to basic nutrition programs, Canada has been a global leader in supporting critical nutrition programs that reduce child mortality and boost economic growth. It costs far more to save a badly-nourished child than it does to take preventative measures because the principle cost of malnutrition lies in the financial consequences of the child's curtailed future. Malnutrition can result in stunting (low height for age), impaired cognitive function, a weakened immune system, and significant decreases in future earning power—irreversibly continuing the cycle of poverty for yet another generation.

On the other hand, there are remarkable short-term and long-term benefits to prioritizing nutrition spending. Investing in nutrition can lead to enhanced economic growth through job creation, increased productivity, and resource savings. Indeed, children with access to proper nutrition do better in school, and in adult life they earn 20% more in the labour market and are 10% more likely to own their own businesses.¹⁴

Furthermore, the 2012 Copenhagen Consensus found that nutrition specific interventions deliver some of the best returns on investment of all development interventions. Nutrition specific interventions offer a benefit-to-cost ratio of 16 to 1 and they could reduce stunting globally by one-third and child mortality by one-quarter.¹⁵

Prior to the upcoming Rio Nutrition for Growth Summit, hosted by the Government of Brazil on the eve of the 2016 Summer Olympics, Canada must make a meaningful commitment to addressing the problem of malnutrition. This high-profile event is a chance to showcase Canadian leadership and spur other donors to action.

Inclusive and equitable education

Despite strong progress over the last 15 years more than 125 million children and youth remain out of school, the majority of them girls.¹⁶ Education is not only a fundamental human right, but it has a remarkably positive effect on both incomes of individuals and the economic growth of countries. One

¹³ World Food Programme. 2016. *Hunger Statistics*. Rome, Italy, retrieved from: <https://www.wfp.org/hunger/stats>

¹⁴ RESULTS United Kingdom. 2014. *Improving Child Nutrition: An investment in the future*. London, UK.

¹⁵ Ibid.

¹⁶ UNESCO Institute for Statistics. 2015. *Fixing the Broken Promise of Education for All: Findings from the Global Initiative on Out-of-School Children*. Montreal, PQ.

extra year of schooling increases an individual's earnings by up to 10% while each additional year of schooling raises the average gross domestic product (GDP) growth by 0.37%.¹⁷

Education also has profound benefits beyond economic, girls that are kept in school beyond grade 7 are more likely to marry later, less likely to die in pregnancy or childbirth, likelier to have healthier children and more likely to send their own children to school.¹⁸ The societal and economic benefits of education are clear, so why is education continually underfunded? Canadian support to education has fallen to 7.8% in 2014, down from a high of 12.2% in 2010.¹⁹ Globally, the financing gap for education is estimated at US \$39 billion.²⁰

Conclusion

Thank you for the opportunity to contribute to the 2016 pre-budget consultation process. We would welcome the opportunity to present our recommendations before the Standing Committee on Finance's pre-budget consultation hearings.

¹⁷ Global Partnership for Education. 2015. *The Benefits of Education*. Washington, D.C.

¹⁸ Women Deliver. 2015. *Invest in Girls' Education*. New York, NY.

¹⁹ Global Campaign for Education. 2015. *Education Aid Watch*. Johannesburg, South Africa.

²⁰ UNESCO. 2015. *Education for All Global Monitoring Report*. Paris, France.