

The 2011 Federal Budget: What will it say about Canada's role in the world?

The 2011/12 federal budget will speak volumes about the Canadian Government's global priorities. Canadian citizens are concerned about the health of our economy, but they also want effective Canadian action to address global poverty, climate change and promote peace. But current Government directions project a freeze on foreign aid, limited action on financing adaptation to climate change, and continued growth in military spending. As a result the upcoming federal budget risks being drastically out of step with Canadians' values and their vision for Canada's role in the world.

CCIC and other civil society organizations are calling for this year's federal budget to reflect Canadians' desire for action to support peace, equality, and address the impacts of climate change on the world's most vulnerable people.

Key concerns for the federal budget include:

ON AID

→ A Foreign Aid Deep Freeze leaves Canada at the bottom of the pack

The 2011/12 Federal Budget will mark the beginning of a deep freeze for foreign aid at approximately \$5.44 billion or .32% of Canadian GNI. Despite recent modest increases, Canada has sunk already to 18th among 23 donor countries. With the freeze in effect, by 2014 Canada's ODA performance ratio is expected to be .28% of GNI, among the lowest of all official donors.

→ We can afford to raise aid spending to 0.7% of GNI

The Canadian economy is growing faster than expected, and has the most robust recovery of all industrial nations. Yet Canada is abdicating its role as a donor state while others with greater economic challenges such as the UK continue to honour much more ambitious commitments for aid increases.

ON MILITARY SPENDING

→ Canadian military spending now highest since WWII

Twelve years of budget increases have left Canadian military spending higher now than it was during the Cold War or at any time since the end of the Second World War. (CCPA 2011)

→ The Human cost of Fighter Jets

The Government's plan to purchase a fleet of new F-35 fighter jets will cost about \$29 billion, almost double what the government has accounted for, according to a recent report from the Parliamentary Budget Officer, Kevin Page. CCIC has calculated that the money spent on these jets alone would cover two thirds of the cost of reaching the 0.7% of GNI goal for Canadian aid.

ON CLIMATE

→ Robbing Peter to pay Paul

There is growing evidence that the Government intends to raid existing poverty reduction programming to provide some of the \$400 million in expected annual climate change financing for 2011 and 2012. While dedicated funds to address climate change are essential for the world's poor, these must be new funds and not be clawed back from limited and "frozen" aid resources. The world's poorest people should not have to forego spending for their health and education to address their vulnerability to climate changes that they bear no responsibility in producing.

Recommendations

→ Announce a 10-year commitment to grow aid to the 0.7% UN Target.

→ Re-allocate F-35 jet spending to increase Canadian ODA to the UN target and contribute to climate financing.

The 2011 budget provides an excellent opportunity to announce a long-term plan for the future growth of Canadian aid to achieve the UN target of 0.7% of Gross National Income (GNI).

CCIC recommends that the Government commits to a 10 year plan to raise aid spending levels to the UN target. This plan would involve annual increases of 13% for the aid portion of the international assistance envelope. It would increase federal program spending overall by less than one third of a cent on every program dollar.

→ Adopt a plan to meet Canada's fair share for climate financing to 2012 and beyond.

The Government should announce an investment of \$400 million or more in new and additional funding for 2011 and 2012 fiscal years for global climate financing, which gives priority to climate impacts on poor and vulnerable populations and makes these allocations additional to reaching the 0.7% target for ODA. It should also outline plans for increasing contributions after 2012.

For more details see

- CCIC, *Federal Budget 2011 Pre-Budget Backgrounder*
http://www.ccic.ca/files/en/media/2011_pre_budget_backgrounder_e.pdf
- Canadian Centre for Policy Alternative (CCPA), *Canadian Military Spending 2010-11*
<http://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2011/03/Canadian%20Military%20Spending%202010.pdf>
- Green Budget Coalition - *Budget Recommendations for 2011*
<http://www.greenbudget.ca/2011/main.html>