

**GOVERNMENT RESPONSE TO THE THIRD REPORT OF THE STANDING COMMITTEE
ON FOREIGN AFFAIRS AND INTERNATIONAL DEVELOPMENT, ENTITLED PART 1 OF
A STUDY ON THE AFTERSHOCKS OF THE COVID-19 PANDEMIC – THE
HUMANITARIAN BURDEN: ENSURING A GLOBAL RESPONSE AND REACHING THE
MOST VULNERABLE**

Recommendation 1

That the Government of Canada play a lead role in the global response to COVID-19 with the aim of ensuring a coordinated, timely, and needs-based response to the vulnerabilities created and exacerbated by the pandemic in crisis- and conflict-affected areas.

The Government of Canada agrees with this recommendation. To date, Canada has played a key leadership role in the global response to COVID-19 and has provided a timely, principled, and needs-based response to address the most acute needs, exacerbated by the pandemic, in crisis and conflict-affected areas.

The COVID-19 pandemic is a global threat that does not recognize borders and will only be overcome through coordinated global action. In line with its Feminist International Assistance Policy, Canada's response to the pandemic is focused on the world's poorest and most marginalized, including persons with disabilities, displaced populations and those living in fragile and conflict-affected states, and places special emphasis on addressing the specific needs and priorities of women's and girls.

The Government of Canada remains committed to a robust global effort to stop COVID-19 and address its devastating health, social, economic and security impacts on people around the world. In response to the pandemic, Canada has mobilized more than \$2 billion in international assistance for developing countries to fight COVID-19, and provided an additional \$1 billion increase to Canada's loan commitment to the International Monetary Fund's (IMF) Poverty Reduction and Growth Trust, which provides interest-free loans to low-income countries. The \$2 billion in international assistance includes over \$360 million in rapidly allocated and flexible humanitarian funding to experienced partners, responding in key sectors and targeting the most vulnerable. This \$360 million is in addition to Canada's ongoing response to pre-existing humanitarian needs in 2020-21. This includes support to many multilateral partners and non-governmental organizations (NGOs) who have been able to pivot their responses and adapt to COVID-19 needs and restrictions.

To help humanitarian partners respond at the onset of the pandemic, Canada provided the majority of its early humanitarian allocations to the United Nations (UN) and International Committee of the Red Cross 2020 COVID-19 appeals as fully un-earmarked global-level support. This approach provided humanitarian organizations with maximum flexibility to respond to rapidly changing needs, in what was a very uncertain operational environment. Canadian funding, for example:

- In the face of the sudden closure of international borders and the grounding of international flights, supported the UN World Food Programme (WFP) in the establishment of an air service to transport humanitarian and health workers and deliver critical PPE's to countries across the globe. Besides financial support to WFP, Canada also made available a CAF aircraft to transport vital medical supplies across Central America and the Caribbean.

- Supported the World Health Organization (WHO) and to the Pan-American Health Organization (PAHO) to assist national governments in preparing and responding to the pandemic, by providing technical expertise and helping to secure essential supplies.

As the pandemic progressed and its impact became better understood, Canadian resources were also directed toward responding to the secondary impacts of the crisis. For instance:

- Canada's funding to the UN High Commissioner for Refugees (UNHCR) sought to address the increase in sexual and gender-based violence (SGBV), by supporting the creation or expansion of multi-language 24/7 hotlines, which are key entry points for survivors of SGBV in refugee situations. This funding also helped 17 million persons access mental health and psychosocial support services.
- To address the global increase in food insecurity, Canada's support to the WFP ensured the provision of emergency food and nutrition assistance to over 3.75 million people for a month. Canada's support to UNICEF also ensured the distribution of essential therapeutic food that will help save children from starvation.

In addition, the Government of Canada also worked with organizations to adapt their existing funding arrangements to ensure their activities could better address the shifting and immediate needs created by the pandemic in developing countries. Further, the Government implemented a series of flexible measure that provided all Canadian partners with increased financial flexibility to facilitate the timely implementation of projects and contribute to Canada's response to COVID-19.

Internationally, Canada has sought a continued leadership role within the global COVID-19 response, framed around three strategic pillars: 1) fighting the pandemic; 2) managing financial stresses and stabilizing economies; and 3) supporting the most vulnerable and reinforcing resilience. Canada has been actively engaged in delivering these messages through a variety of multilateral fora, including at the Leader and Ministerial levels at the G7, G20, UN, the WHO, Organization for Economic Co-operation and Development (OECD), World Economic Forum (WEF), North Atlantic Treaty Organization (NATO) and Asia-Pacific Economic Cooperation (APEC). Canada also regularly hosts a Foreign Affairs Ministerial Coordination Group on COVID-19 and co-leads (with the UK) a Development Ministers' Contact Group to coordinate international assistance responses to COVID-19 and focus on the sustainability and effectiveness of response efforts.

In particular, Canada continues to champion equitable access for developing countries to COVID-19 tests, treatments and vaccines. To this end, Canada committed \$940 million in funding to the Access to COVID Tools (ACT) Accelerator. Taking into account a further \$30 million which was sourced from funding previously allocated to Gavi, Canada's commitment to the ACT-Accelerator totals \$970 million. At the core of the ACT framework are three pillars (vaccines, therapeutics, diagnostics), with a cross-cutting work stream on health systems. The COVID-19 Vaccine Global Access Facility – or "COVAX Facility" – is part of the vaccine pillar of the ACT Accelerator. The COVAX Facility is a global pooled procurement mechanism for COVID-19 vaccines, designed to foster equitable access for participating countries and help end the acute phase of the pandemic. Canada has been engaged with the ACT-A and COVAX Facility from the beginning, and continues to be strongly involved through their

governance mechanisms. Minister Gould sits on the ACT-A Facilitation Council and is also one of three co-chairs for the COVAX Advance Market Commitment Engagement Group. Canada is also a member of the Gavi Board and final decision-making body of the COVAX Facility. In December 2020, the Board unanimously approved the creation of the COVAX Humanitarian Buffer, which is designed to ensure that the most vulnerable populations in humanitarian contexts are not left behind. The objective of the Humanitarian Buffer is to reach populations that may not be covered through the main allocation mechanism for vaccines, which could include refugees, asylum seekers, or internally displaced people.

Canada also continued to play a leadership role in addressing insecurity in fragile and conflict-affected states dealing with the effects of COVID-19. For instance, Canada played a key convening role as the Chair of the UN Peacebuilding Commission in 2020 and as the co-chair of the International Dialogue on Peacebuilding and Statebuilding.

As the first announced co-chair, Canada led the organization of the UN Peacebuilding Fund (PBF) Replenishment Conference, recognizing the vital role that the PBF has played in the UN Comprehensive Response to COVID-19. Through Canada's leadership, 92 UN Member States participated in the Conference, with 39 states contributing or pledging over US\$439 million. Canada itself announced a \$15 million contribution to the PBF (making it a top 10 donor with its total contribution since 2006 being over \$86 million).

Moving forward, as part of Budget 2021, the Government proposed to provide up to an additional \$375 million for 2021-22 to support Canada's international COVID-19 response, with a focus on addressing the health needs of developing countries. This would facilitate the world's poorest countries to access the tools necessary to help contain the spread of COVID-19.

Recommendation 2

That, by allocating new funding, the Government of Canada increase its contributions to international humanitarian appeals in line with the growing demands on the humanitarian system, while ensuring that assistance reaches the most vulnerable people based on need, including in relation to food security, child protection, education and health care in emergency settings, psychosocial support, and gender-based violence prevention and response services.

The Government of Canada agrees with the Committee's recommendation. Since the onset of the COVID-19 pandemic, Canada has already increased its humanitarian funding by over \$360 million in new COVID 19 funding bringing its total humanitarian spending to over \$1.1 billion for fiscal year 2020-2021. These funds are being used to respond to the growing levels of humanitarian need, exacerbated by the impacts of the pandemic.

Prior to the onset of the pandemic, humanitarian needs had already reached unprecedented levels. COVID-19 exacerbated these needs globally and placed further strain on an already stretched humanitarian system. In 2021, approximately 235 million people across the world are in need of humanitarian assistance and protection, resulting in UN and Red Cross appeals totaling over US\$37.5 billion and targeting 160 million people with humanitarian assistance. This is an increase from the US\$31 billion targeting 109 million people at the start of 2020 and is the highest of any annual global appeal to date. These appeals look at all humanitarian needs in an integrated manner, including those ongoing and those driven by COVID-19.

To help address the heightened levels of humanitarian needs around the world, Canada increased its humanitarian assistance funding to support multilateral, Canadian, and international NGO partners in providing humanitarian assistance to the most-affected and hard-to-reach communities where needs have been exacerbated by COVID-19. This included responding to the immediate impact of COVID-19 on humanitarian operations, including needs related to logistics, personal protective equipment, and air service, as well as responding to the global increase in humanitarian needs resulting from the secondary impacts of the pandemic. These included acute food and nutrition needs; integrated water, sanitation, and hygiene needs; protection concerns; and support for health services including sexual and reproductive health and rights, as well as services that prevent, mitigate, and respond to sexual and gender-based violence. Canada's humanitarian partners leveraged their existing networks and operational presence in humanitarian settings in order to support timely and localized responses to needs stemming from the pandemic. To ensure that humanitarian assistance reaches the most vulnerable and marginalized individuals, Canada relies on its humanitarian partners, who use a variety of assessment tools. This approach provides an opportunity to look across humanitarian situations using a consistent evidence base to propose a comparable, needs-based Canadian response.

Moving forward, as part of Budget 2021, the Government of Canada proposed to allocate an additional \$165 million for fiscal year 2021-22 to support the provision of international humanitarian assistance to save lives, alleviate suffering from conflicts, food insecurity, and other crises in developing countries.

Recommendation 3

That Canada lead and coordinate, with like-minded nations, an expansion of a feminist agenda, specifically addressing domestic abuse and gender-based violence during COVID lockdowns; to ensure protection, safe interim housing for those at risk and to improve basic access to healthcare, for women and girls especially with regard to access to sexual and reproductive health and rights, to prenatal, delivery and postpartum care, and that these action plans be informed by a diversity lens with regard to socio-economic status, age, ethnicity, race, disability and LGBTQ2+ status.

The Government of Canada agrees with this recommendation. In 2019, the government launched a ten-year commitment to improve the health and rights of women and girls, to reach \$1.4 billion annually, starting in 2023, with \$700 million of the annual investment dedicated to further advancing sexual and reproductive health and rights. This includes support for sexual and gender-based violence and prenatal, delivery and postpartum care.

Building on this commitment, the Government ensured that Canada's international assistance response to COVID-19 strongly supported efforts to respond to the increase in sexual and gender-based violence (SGBV) during the pandemic, as well as efforts to increase access to essential health services, including sexual reproductive health and rights.

In line with the Feminist International Assistance Policy, Canada continues to advocate and engage with its international partners to use an intersectional feminist approach that takes into account several factors, including socio-economic status, age, ethnicity, disability, and LGBTQ2+ status. Canada's response has prioritized action to address the gendered impacts of the pandemic and to target the most marginalized. To ensure that gender equality remained a strong focus in the international response to COVID-19, the Government quickly developed guidance and adapted tools to ensure that an

intersectional gender-based analysis continued to be at the heart of Canada's international assistance programming.

Recognizing that in many countries, health services, in particular for women and girls, have been disrupted due to lockdowns and diverted resources in health systems, Canada helped to address the diverse needs and priorities of women and girls, support their empowerment, maintain access to sexual and reproductive health services, as well as help support comprehensive services to respond and prevent SGBV, including providing safe interim housing for those at risk.

Furthermore, Canada's humanitarian assistance remains committed to funding essential health programming beyond addressing the direct health impacts of the COVID-19 pandemic. This includes ensuring that women and girls have access to primary and secondary healthcare, including the provision of sexual and reproductive health services, particularly in countries affected by conflict, situations of violence and other emergencies. Canada also supports humanitarian multilateral and NGO partners in providing targeted interventions to ensure SGBV services are maintained or expanded.

The Government has also prioritized support to women's rights organizations through targeted investments to the following initiatives:

- Canada's Women's Voice and Leadership Program, which provides women's rights organizations and movements with targeted support to advance gender equality;
- The Equality Fund, an innovative global platform that brings together philanthropic, private sector, civil society and government actors to provide a predictable and sustainable source of funding to women's organizations and movements in developing countries; and
- The UN Trust Fund to End Violence against Women, the only global grant-making mechanism dedicated to eradicating all forms of violence against women and girls.

These initiatives have been able to harness timely and responsive funding to help women's organizations adapt to COVID-19, including supporting their efforts in advocating for women and girls' rights in national COVID-19 responses, as well as for the prevention and response to SGBV.

Moving forward, Canada will continue to take an active leadership role in promoting and protecting the rights of women, girls and other marginalized groups as a global priority. This includes through high-level events and bilateral meetings to advocate for ending the 'shadow pandemic' on SGBV; supporting adolescent girls; and ensuring that comprehensive sexual and reproductive health and rights remains a priority during and after the pandemic. To that end, Canada co-led with Zambia a UN General Assembly resolution on child, early and forced marriage that addressed the impact of the pandemic on this practice. This resolution was adopted by consensus with 114 co-sponsors. Further, Canada leads a biennial Human Rights Council (HRC) resolution on violence against women and girls. This year in 2021, at the 47th session of the HRC, this resolution will focus on ending violence against women and girls with disabilities, the first time that any UN resolution exclusively addressed this issue.

Recommendation 4

That the Government of Canada reiterate its support for the Grand Bargain agreed to at the World Humanitarian Summit, and steadily increase the amount of humanitarian assistance Canada channels, as directly as possible, to national and local humanitarian responders in affected areas.

The Government of Canada agrees with this recommendation. Since its launch at the World Humanitarian Summit in 2016, Canada has been a strong and consistent supporter of the Grand Bargain and taken strides to advance its commitments through its own humanitarian policies and programming. This is documented through self-reports that Canada submits on an annual basis, which outline the progress made against the Grand Bargain commitments.

In line with its Feminist International Assistance Policy and its gender-responsive humanitarian action sub-policy, Canada has made delivery on the localization commitments under the Grand Bargain a priority, seeing supporting and including local and national humanitarian actors in response efforts as essential to improving the effectiveness of humanitarian assistance.

Canada supports localization through several delivery channels:

- Canada supports the localization agenda through the UN Country-Based Pooled Funds (CBPFs). Established by the UN Emergency Relief Coordinator and managed at the country level, the CBPFs are a multi-donor humanitarian financing instrument that directly support national and local organizations on the frontlines of emergency response. In 2019, CBPFs channeled a total of \$332 million (33% of total funding) to national NGOs, harnessing the local knowledge and social networks available. As of December 2020, the percentage of funding channeled to local NGOs through the CBPFs increased to 39%. Over the last five years, Canada has been steadily expanding its support to the UN CBPFs. In 2020, Canada contributed \$50.15 million to the UN CBPFs. This represents a 2.5 time increase from Canada's 2019 contributions and a 9-time increase from its 2016 contributions. Moving forward, Canada will continue to engage with and look to increase its support to the UN CBPFs, in order to channel more humanitarian assistance funding to national and local actors, as directly as possible.
- Through a core support grant of \$25 million per year to the Canadian Foodgrains Bank (CFGB), which regroups 15 faith-based humanitarian and development agencies in a collaborative network, Canada provides funding to member agencies that work with and provide funding directly to their local partners to implement projects to meet immediate food needs, improve nutrition, and achieve sustainable food security.
- As part of the Government's humanitarian response to support global efforts to address the COVID-19 outbreak, \$28.4 million was provided to the Red Cross and Red Crescent national societies via the International Federation of the Red Cross and the International Committee of the Red Cross, recognizing the importance of local humanitarian action. These funds supported national societies, comprising the largest humanitarian network of local volunteers, be at the forefront of community level humanitarian action in response to the pandemic.

In further support of the Grand Bargain localization agenda and to encourage partnerships with local and national humanitarian responders, the Government of Canada's *International Humanitarian Assistance*

Funding Application Guidelines for NGOs require that NGO partners indicate the amount of funding allocated to local partners. In addition, within the same guidelines, the Government encourages its NGOs partners to provide additional information on how they intend to establish equal partnerships with local and national responders to effectively deliver humanitarian assistance in a given country. This includes, where applicable, information on how to strengthen partnerships with women leaders and/or women-led organizations through, for instance, their involvement in decision-making related to the design, implementation, monitoring, and evaluation of the project.

The Government also supports national and local actors through other delivery channels. For instance, through *Canada's Fund for Local Initiatives*, which includes a humanitarian funding reserve for Canadian missions abroad to support local organizations and respond to humanitarian and development needs through small-scale, high-impact projects. Canada has funded local organizations through the Developing Country-Based CSO Channel of Delivery in the past three years. In addition, the Government has provided funding to local initiatives through the Global Network of Women Peace Builders and the Women's Peace and Humanitarian Fund to address gaps at the local level and support inclusion and empowerment of women in humanitarian and peacebuilding efforts.

Recommendation 5

That the Government of Canada explore how existing or new federal funding mechanisms could be used to strengthen the institutional capacity of local humanitarian organizations.

As a strong supporter of the Grand Bargain, the Government of Canada takes note of the Committee's recommendation. Canada has multiple tools through which it provides support to build the institutional capacities of local humanitarian organizations to improve the effectiveness of humanitarian assistance.

Through the Pooled Fund Working Group, a forum through which NGOs, UN Agencies, and donors can provide the UN Office for the Coordination of Humanitarian Affairs (OCHA) with strategic advice on the use and direction of the UN Country Based Pooled Funds, Canada continues to advocate for the importance of strengthening the institutional capacities of local organizations.

In addition, through investment in the National Society Investment Alliance, a pooled funding mechanism that supports the long-term development of National Red Cross and Red Crescent Societies, Canada supports national societies, particularly in situations of increased risk and humanitarian need, in developing their long-term organizational priorities in order to enhance their capacity to provide humanitarian services.

Canada supports Canadian and international civil society organizations to leverage their knowledge, resource and expertise. These organizations work in close partnership with local civil society organizations including local humanitarian organizations and have an important role to play in strengthening local capacity. Canada also recognizes that supporting local organizations to increase their long-term institutional capacities requires coordinated action across the humanitarian-development nexus. In addition to the humanitarian mechanisms described above, Canada contributed to the establishment of the aforementioned Equality Fund, which provides, among others, direct grants to women's organizations working in crisis and humanitarian settings and may also include capacity building and technical support activities. Further, through Canada's Women's Voice and Leadership Program, the Government currently supports 33 women's rights organizations in 31 fragile and conflict-

affected states.

Recommendation 6

That the Government of Canada take immediate steps to ensure that a diverse range of Canadian civil society organizations, including small and medium-sized organizations and those that are new and long-established partners, can apply for and receive federal funding to deliver international assistance as part of the global response to COVID-19 and related humanitarian appeals, and that the associated application and approval processes reflect the principles of timeliness, flexibility, partnership, efficiency, cost-effectiveness, innovation, and accountability.

The Government of Canada takes note of the Committee's recommendation, underscoring that steps are systematically taken to ensure that Canadian civil society organizations can apply for and receive federal funding to deliver international assistance in response to the COVID-19 pandemic and related humanitarian appeals.

Since the beginning of the pandemic, the Government of Canada has undertaken a number of town halls, including at the ministerial level, with international assistance organizations across Canada. These have evolved into regular sector engagement mechanisms that have met on a weekly or bi-weekly basis over the last year. They were complemented by specific Ministerial engagement with Canadian humanitarian partners, through direct engagement and with the Humanitarian Response Network of Canada (HRN), a vibrant community of practice made up of more than 35 Canadian humanitarian organizations of all sizes.

This unprecedented level of engagement with Canadian partners on operational issues has resulted in concrete changes to help facilitate the delivery of aid in the face of the current crisis.

For instance, the Government of Canada implemented a number of streamlining initiatives, which have facilitated a timely, efficient, and flexible response. This includes temporary changes to help Canadian partners contribute to Canada's response to COVID-19, including by providing them with increased financial flexibility to facilitate timely project implementation. The Government also funded new projects and pivoted existing projects through a range of Canadian partners in health and nutrition, education, economic growth, and environment and climate change.

Funding opportunities continue to be available, including through Calls for Proposals that are targeted to Canadian international assistance partners of all sizes. The Canadian Small and Medium Organizations for Impact and Innovation Initiative, for example, has so far allowed a wide number of small and medium sized organisation to build their capacity to deliver impact, test and pilot innovative ideas, and deploy development projects. Upcoming Calls will be fully aligned with the Government's response to COVID-19 and the Feminist International Assistance Policy.

With respect to Canada's humanitarian assistance, Canada has already supported a number of Canadian civil society organizations (CSOs) responding to the humanitarian needs of persons facing acute vulnerabilities. Since the onset of the pandemic, Canada has been working closely with its partners to provide flexibility to address new and shifting needs, including through allocating additional funding to support their activities.

As the impacts of the pandemic became clearer in individual humanitarian contexts or crises, the global humanitarian community moved to incorporate COVID-19 responses into regular humanitarian response plans and appeals for 2021. These considerations were also incorporated into the established Government of Canada NGO Guidelines for humanitarian assistance funding, which the Government provides to Canadian and international CSOs to assist with the application process. CSOs of all sizes are welcome to apply for support.

Moving forward, as part of Budget 2021, the Government proposed to provide up to an additional \$375 million for 2021-22 to support Canada's international COVID-19 response. By committing to delivering COVID-19 related international assistance under Canada's Feminist International Assistance Policy, Canada is supporting efforts that have the highest potential to reach groups that face vulnerability and marginalization.

Furthermore, as part of Budget 2021, the Government proposed to extend the Canada Emergency Wage Subsidy, the Canada Emergency Rent Subsidy and the Lockdown Support until September 25, 2021. Beginning on July 4, 2021, the subsidy rates for the wage subsidy and the rent subsidy would gradually decrease to ensure an orderly phase-out of the programs as vaccinations are completed and the economy reopens. The programs are available to qualifying businesses and other organizations, such as non-profit organizations and registered charities.

Recommendation 7

That the Government of Canada take immediate steps to fix the serious problems with the current direction and control regime as it pertains to international development, recognizing that this regime impedes important international development work and perpetuates colonial structures of donor control.

The Government of Canada is taking steps that address this recommendation. The Government understands that Canadian international assistance organizations have expressed concerns regarding the direction and control requirements that arise from the *Income Tax Act*. These are accountability measures for charities that work through intermediaries, such as local non-charity organizations, to carry on their charitable activities. The Government further understands that international assistance organizations are seeking changes to the *Income Tax Act* and related Canada Revenue Agency guidance to facilitate a more efficient transfer of charitable funds to local organizations in developing countries.

The Government strongly supports local ownership as a means to achieve and sustain development and humanitarian results. Canada is working with its international assistance partners to streamline the administration of aid while maintaining important principles related to transparency, accountability for results, and financial stewardship.

The Minister of Finance is responsible for tax policy, including the regulatory rules for charities in the *Income Tax Act*. The Government recognizes that some charities find the existing rules overly restrictive and onerous, and is committed to ensuring that the regulatory framework supports the important work that charities perform. As such, the Government has committed to reviewing these rules to determine if they continue to be appropriate or if improvements can be made.

In November 2020, the Canada Revenue Agency updated its guidance related to direction and

control. These changes address some of the charitable sector concerns regarding how registered charities can maintain the direction and control accountability that the *Income Tax Act* requires when they work through intermediaries.

The Government will continue to work with its international assistance partners in Canada and abroad to support local ownership and the streamlining of aid delivery, in accordance with Canada's international commitments and principles of aid effectiveness.

Recommendation 8

That the Government of Canada indicate whether it intends to increase ODA spending as a percentage of GNI, from their current lows.

The Government of Canada takes note of the Committee's recommendation. The International Assistance Envelope (IAE) is the Government of Canada's dedicated pool of resources and main budget planning tool to support federal international assistance objectives. Canada reports the eligible portion of the IAE as ODA, in accordance with OECD-DAC definitions and reporting schedules. Other components outside of the IAE are also ODA-eligible such as the cost of refugees in Canada for their first year, or the recapitalization of FinDev Canada.

As noted in the Government of Canada's Economic and Fiscal Snapshot 2020, the Government is still assessing the overall impact of COVID-19 on Canada's economy, and its continuing impact internationally. Given the unprecedented and dynamic situation, the Government of Canada is continuing to evaluate the evolving global needs related to COVID-19 and what impact this may have on IAE investments.

The COVID-19 pandemic demonstrates that no one is truly safe until everyone is. For this reason, the Government has committed to increasing its international assistance, and in 2020-2021, Canada announced over \$2 billion to support the global response to COVID-19, of which \$1.3 billion is new funding. The Government is also providing an additional \$1 billion increase to Canada's loan commitments to the IMF's Poverty Reduction and Growth Trust, which provides interest-free loans to low income countries. With these new investments, Canada is, and will remain, in the top 10 of OECD donors in terms of aid volume. Canada's international assistance spending grew from \$6.1 billion in 2017-18 to \$6.6 billion in 2019-20. Further, for the 2020 calendar year, Canada's ODA to GNI ratio increased to 0.31%, which represents the highest level since 2012.

Canada's international assistance goes beyond what it contributes in aid funding alone. The Government is also committed to making its aid more effective to generate better results for the poorest and most vulnerable and by leveraging new sources of funding. This is in line with Canada's Feminist International Assistance Policy, which places an emphasis on investments with the greatest potential to improve gender equality, empower women and girls, and thereby reduce poverty.

Canada is also playing a leadership role through its policies and international influence to develop concrete policy proposals to support a sustainable global recovery. To this end, in 2020, Prime Ministers Justin Trudeau and Andrew Holness of Jamaica, as well as UN Secretary General Antonio Guterres launched the initiative on *Financing for Development in the Era of COVID-19 and Beyond*, working with other heads of state/government, ministers, and international organizations, to develop practical approaches to respond to the socio-economic and financial impacts of the pandemic and support

inclusive and sustainable recovery efforts. Prime Minister Trudeau continues to co-lead this initiative, and will co-convene heads of state and government for a third time on March 29, 2021 to discuss the International Debt Architecture and Liquidity.

Recommendation 9

That the Government of Canada consider building on its contributions to the vaccine pillar—COVAX—of the ACT Accelerator, while also working with partner countries and organizations to ensure that humanitarian organizations have access to COVID-19 vaccines at the lowest possible prices, taking into account the infrastructure required to store them.

The Government of Canada takes note of the Committee’s recommendation. Canada is a strong supporter of the COVAX Facility and continues to support the Facility in its mandate to ensure equitable access to COVID-19 vaccines across the world. Canada has supported Gavi since day one to set up, garner support for, and operationalize this mechanism. The COVAX Facility is the best mechanism to ensure equitable access across the world for COVID-19 vaccines, with 190 economies engaged, who represent over 90% of the world’s population.

Canada has invested in the COVAX Facility to both ensure vaccines are available to Canadians and to support procurement of COVID-19 vaccines for low and lower-middle income countries. Canada was among the first donors to announce a major contribution to the COVAX Advanced Market Commitment (AMC). Canada has committed over \$325 million to help ensure that the COVAX AMC can provide vaccines for the high-risk populations in all 92 low- and middle-income countries. Canada’s support to the AMC includes an initial allocation of approximately \$30 million in June 2020, an additional commitment of \$220 million in September 2020 to procure vaccines for developing countries, and \$75 million committed in December 2020 to facilitate delivery and distribution of COVAX vaccines.

Behind the scenes, Canada is working to support COVAX governance as a member of the Gavi Board, bringing donors around the table, helping to build a mechanism for the sharing of surplus supply, and ensuring that when operational, the COVAX Humanitarian Buffer is the right mechanism to support those who need it most.

The COVAX Facility recognizes the need to ensure that all vulnerable populations, including those living and working in humanitarian contexts, have access to COVID-19 vaccines. Participating economies are encouraged to follow guidance by the World Health Organization for the allocation and prioritization of COVID-19 vaccines, which advises that countries include “refugees, internally displaced persons, asylum seekers, populations in conflict settings or those affected by humanitarian emergencies, (and) vulnerable migrants in irregular situations” within their priority populations to receive vaccines.

In addition to countries procuring vaccines directly from COVAX at bulk-negotiated rates, the COVAX Facility is in the process of developing a COVAX Humanitarian Buffer. The objective of the Humanitarian Buffer is to cover populations that may not be covered through the main allocation mechanism for vaccines, which could include refugees, asylum seekers, or internally displaced people. The Humanitarian Buffer, as proposed by Gavi, will allocate – on a rolling, real-time basis – 5% of total AMC doses for use by the Buffer. The Gavi Board, on which Canada sits as a member, approved the

creation of the Buffer at its meeting in December 2020. Gavi is currently working on the design and implementation.

The Buffer is being developed with inputs from over 100 organizations, will follow humanitarian principles, and will be used as a measure of last resort to ensure that vulnerable populations living in humanitarian contexts are not further put at risk due to a lack of access to protection from COVID-19, especially where situations preclude other COVID-19 protective measures. The Government of Canada will continue to monitor the progress and development of the Humanitarian Buffer, including access to the stock of doses by humanitarian organizations.

The Government of Canada supports the COVAX Facility as the key multilateral mechanism to support equitable access to safe, affordable and effective COVID-19 vaccines, and to ensure that no one is left behind.

In principle, the Government of Canada supports humanitarian organizations having access to COVID-19 vaccines to administer. The Government of Canada, in line with international partners and humanitarian organizations agree that the COVAX Facility is the best mechanism to ensure access and negotiate bulk rates of COVID-19 vaccines for use by humanitarian organizations. Organizations who wish to purchase COVID-19 vaccines will be required to do so under their own negotiated agreements with vaccine manufacturers, and ensure legal, indemnification and regulatory compliance with relevant authorities where vaccines will be administered.

Recommendation 10

That, at the appropriate time, the Government of Canada redistribute any excess COVID-19 vaccine units for vaccination efforts in developing countries, with a focus on reaching the most vulnerable populations, and that it report to Parliament on those efforts.

The Government of Canada agrees with the committee's recommendation to share excess COVID-19 vaccine doses to support efforts to increase global coverage that is fair and equitable. Since the early days of the pandemic, the Government has known that in its efforts to facilitate access to COVID-19 vaccines for everyone in Canada, it is also necessary to ensure that the rest of the world also has access to safe and effective vaccines. To beat this virus anywhere, it is imperative to beat it everywhere.

In December 2020, the Prime Minister committed that Canada will share surplus COVID-19 vaccine doses with the world, should we receive more than is necessary. The Government expects to have a better sense of any potential supply in excess of Canada's needs as additional vaccine candidates are reviewed by Health Canada for authorization, and as supply schedules and domestic deployment plans are confirmed and finalized.

The Government of Canada will continue to work closely with international partners, including other countries, Gavi, the COVAX Facility, and vaccine manufacturers, to explore all possible options to ensure doses are distributed globally. Canada is a leading donor to the COVAX Facility, administered by Gavi, the Vaccine Alliance, which aims to distribute 2 billion vaccine doses in 2021 via its procurement mechanism, including more than 1.3 billion doses to low- and lower-middle income countries procured via the Advance Market Commitment (AMC).

To date, Canada has provided \$325 million to the COVAX Facility to support the AMC and to facilitate delivery and distribution to low- and lower-middle income economies. This also includes up to \$5 million to Gavi to help establish a dose sharing mechanism. Through this mechanism, economies with excess supply will be able to donate doses to economies facing shortages, helping to ensure that no dose goes to waste.

Once Canada is ready to share surplus vaccine supply, the Government will prioritize efficient and effective international solutions to share doses with those who need them most. The Government will be pleased to report back to Parliament on these efforts.