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VOLUME 2

REPORT

to Parliament on
the Government of Canada's

INTERNATIONAL ASSISTANCE

Engagement with International
Financial Institutions

2018-2019

This volume of the report meets the reporting requirements of the *Bretton Woods and Related Agreements Act* (Bretton Woods Act), sections 13 and 14; and the *European Bank for Reconstruction and Development Agreement Act* (EBRD Act), section 7.

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CONTENTS

Introduction.....	2
Section A: Canada’s strategic engagement objectives with international financial institutions.....	3
Section B: Canada’s engagement in World Bank Group operations.....	9
Section C: Canada’s engagement in International Monetary Fund operations.....	20
Section D: Canada’s engagements in European Bank for Reconstruction and Development operations	31

INTRODUCTION

Volume 2 of the Report to Parliament on the Government of Canada's International Assistance 2018-2019 provides information on Canada's engagement with international financial institutions (IFIs), with specific focus on engagements and operations at the World Bank Group ([Section B](#)), the International Monetary Fund ([Section C](#)), and the European Bank for Reconstruction and Development ([Section D](#)), as they respond to various reporting requirements under the Bretton Woods Act and the EBRD Act.

IFIs provide financial and technical assistance to developing country governments, and in some cases private sector actors, to support poverty reduction and long-term economic development. These investments cover a wide array of sectors, including education, health, public administration, infrastructure, financial and private sector development, agriculture, and environmental and natural resource management. Some IFIs also support developing countries with policy advice, research and analysis, and capacity-development activities, including the International Monetary Fund and the World Bank Group.

Canada provides core contributions to support IFI operations and activities, while also providing funds for specific projects. Canada also actively contributes to the development of IFI policies and provides oversight of IFI financial activities through membership on Boards of Governors and Boards of Directors, the latter bodies dealing with day-to-day decisions. Canada is also involved in the work of various internal committees and engages in meaningful dialogue with other shareholders.

In order to provide strategic direction for its engagement with IFIs, Canada develops key objectives that are informed by Canada's commitment to multilateralism, foreign policy, and development priorities, and general principles of good governance. Details on Canada's engagement priorities are presented in [Section A](#).

SECTION A: CANADA'S STRATEGIC ENGAGEMENT OBJECTIVES WITH INTERNATIONAL FINANCIAL INSTITUTIONS

Below is a summary of Canada's key engagement objectives for each of the main international financial institutions (IFIs) it supports. Those objectives provide strategic direction to advance Canada's values and priorities within those IFIs.

WORLD BANK GROUP (WBG)

1. Encourage the development of financial instruments and inclusive partnerships that strengthen the WBG's capacity to deliver development results, including by working as a system with other multilateral development banks (MDBs) to increase development impact

Canada continues to be engaged in exploring the development of financial instruments, balance sheet optimization measures, and increased collaboration between MDBs to maximize development impact.

Canada has been a strong advocate for the WBG's new Multiphase Programmatic Approach, which provides an agile and flexible way to address complex development challenges. In 2018, Canada also supported the recommendation to remove the commitment limit for the Program-for-Results instrument, which was first introduced as a pilot in 2012 to help build client systems, strengthen the focus on results, and build alignment around country platforms. This financial instrument has rewarded improvements in the quality, sustainability of and access to basic services, particularly in low-income countries.

Through the International Development Association (IDA) 2019 replenishment, Canada, along with other shareholders, is exploring the development of programs for fragile regions, and the use of regional development policy operations to support coordinated policy reforms across countries.

In collaboration with other donors, Canada is also participating in efforts to reform the WBG's trust funds. The objective is to move the trust fund portfolio toward fewer, larger and more strategically aligned programs in order to enhance their effectiveness.

Lastly, Canada has encouraged the WBG to work with MDBs on reviewing the joint MDB methodology for tracking climate-related finance, which will inform a more comprehensive approach for capturing results.

2. Promote improvements to the institutional effectiveness and to the financial capacity of the WBG through ongoing reforms, accountability mechanisms and governance structures

Canada is committed to pursue efficiency measures and productivity gains to ensure the institution's financial sustainability. An important policy outcome of the capital package was the development of a Financial Sustainability Framework for the International Bank for Reconstruction and Development (IBRD), which includes a sustainable annual lending limit (level of lending that can be sustained in real terms over 10 years) and a crisis buffer for unforeseen events, mitigating the likelihood of future capital increases. In addition, the WBG delivered on its commitment to achieve US\$340 million in savings, as per its expenditure review. Building on this, under the IBRD-International Finance Corporation (IFC) capital increase, the WBG has agreed to achieve additional savings by fiscal year 2029-2030 from efficiency gains and economy-of-scale benefits. Additional efficiency measures and economies of scale are being pursued and built into annual budgets in areas such as corporate procurement, human resources, real estate, and project portfolio.

3. Ensure that Canadian priorities are reflected in WBG policies and programming, with a focus on gender equality, climate change, debt transparency/sustainability, and capital efficiency

Canada has remained in a leadership role to strengthen the WBG's Gender Equality Strategy by scaling up work on women's economic empowerment, jobs, assets, and human capital, as well as on preventing and addressing sexual and gender-based violence. The IBRD-IFC capital increase included many commitments to help close gender gaps, notably those related to jobs, assets and entrepreneurship. Canada is also supporting changes in IDA's funding policies to provide incentives for borrowing countries to adopt better debt management and debt reporting policies. Canada also called for IDA to identify ways to increase development effectiveness of its operations in fragile and small island states, which face increased vulnerability to conflict, violence and climate change.

INTERNATIONAL MONETARY FUND (IMF)

1. Continued improvement and traction of IMF surveillance and policy advice, with a particular focus on openness, inclusive growth, and gender empowerment

Canada has supported this objective through the ongoing emphasis of principled international cooperation, and the early identification of macroeconomic vulnerabilities that pose risks to equitable job-rich growth and poverty reduction. Over the reporting period, IMF research has shed light on how open trade can boost incomes and living standards by driving opportunities for inclusive growth and development. The IMF has also sought to reorient its domestic and international policy advice to better assess the impact of inequality on growth outcomes, examine the distributional impacts of policies and reform, and mitigate the possible adverse consequences of global economic integration on vulnerable groups, such as women and youth.

Progress in achieving the Sustainable Development Goals (SDGs) hinges on a country's ability to increase spending in areas such as education, health, and infrastructure, while ensuring that their external debt remains sustainable. For governments, payments on high public debt can crowd out spending on important areas that foster more sustainable and equitable growth. As such, the IMF is committed to working on identifying and reducing debt vulnerabilities to ensure countries maintain the ability to invest in the future of their citizens. Over the reporting period, the IMF introduced the low-income-country debt sustainability framework, which takes into account the significant challenges these countries face.

2. A sufficiently resourced IMF that applies an effective and appropriate lending toolkit to facilitate macroeconomic adjustment and financial stability, as needed

Canada plays an important role in advocating for the efficient use of IMF resources, especially those directed toward improving resiliency among its poorest and most vulnerable members. Since the late 1980s, Canada and a few other donor countries have committed significant resources to support the IMF's work in its poorest member countries through its concessional lending window, the Poverty Reduction and Growth Trust (PRGT).

During the reporting period, the IMF committed concessional loans of over \$428 million to its low-income-country members under PRGT-supported programs, and completed important

work on the 2018-2019 Review of Facilities for Low-Income Countries. The Review feeds into the IMF's ongoing and comprehensive assessment of the adequacy of its toolkit for meeting the evolving economic development and financial stability needs of its members.

Low-income countries that do not want an IMF loan can access the Policy Support Instrument (PSI) to secure IMF support. This flexible tool is a valuable complement to the IMF's lending facilities under the PRGT. The PSI delivers a clear signal to donors, multilateral development banks, and markets that the IMF endorses the strength of a member's policies. In 2018-2019, the IMF completed PSI reviews for Senegal and Rwanda.

3. Provision of high-quality technical assistance and capacity development that is appropriately integrated with the IMF's core business lines

Canada has long been a key partner in IMF efforts to deliver effective technical assistance and capacity development (TA/CD), with a recent emphasis on the importance of women's economic empowerment and the need to strengthen recipients' implementation capacity. In 2018-2019, Canada committed \$20 million in additional funding for increased TA/CD in small island developing states (SIDS) and low-income countries, and played an important role in promoting the development of resilient debt instruments for SIDS that are vulnerable to natural disasters and climate change.

Over the reporting period, TA/CD represented almost one third of IMF administrative spending. Low-income developing countries, particularly those in sub-Saharan Africa, received the most technical advice and training. Enhancing TA/CD integration with policy advice and lending in order to better tailor strategies to each country's institutional capacity and specific needs was a key focus of the 2018 Review of the IMF's Capacity Development Strategy.

The recently launched Data for Decisions (D4D) Trust Fund provides assistance to strengthen national statistical systems in mainly low- and lower-middle-income member countries to enhance evidence-based policies and support achievement of the SDGs. Over the reporting period, the Financial Access Survey administered by D4D began mainstreaming the collection of gender-disaggregated data to deepen the understanding of implications of financial inclusion for women and girls.

4. Continued evolution of members' voice and representation to better reflect the growing importance of dynamic emerging economies, and modernization of the IMF's corporate governance and accountability structures

As the global economic and financial landscape evolves, so too must the IMF. In 2018-2019, Canada advocated for a realignment of quota shares (which are commensurate with a country's IMF voting power) to increase the voices of underrepresented member states. Canada remains committed to ensuring the IMF becomes a more globally representative institution.

Canada also played a constructive role in continuous IMF efforts to strengthen its internal governance and accountability structures. Canada did so by fostering a more representative, inclusive, and effective institution that delivers equal representation of women in all of its roles and leadership positions.

AFRICAN DEVELOPMENT BANK (AfDB)

As a major shareholder, Canada has been deeply involved in discussions with the AfDB on ways to improve its efforts on gender equality, climate action and support to fragile countries. Canada has also been focused on ensuring the AfDB manages for development impact. As with all IFIs, Canada is also focused on the debt sustainability of borrowing countries.

In 2018-2019, Canada engaged with other like-minded countries on specific themes to advance the following Canadian priorities: mainstreaming of gender-equality, operational effectiveness and results, and support to fragile states. The AfDB started the negotiation process for a general capital increase as well as for the replenishment of the African Development Fund (ADF), which were completed in 2019-2020. Canada also welcomed the President of the Bank for an official visit to Montréal and Ottawa, in September 2018, where he met with the Minister of Finance, the Minister of International Development, and the Minister of International Trade and Diversification.

ASIAN DEVELOPMENT BANK (ADB)

In 2018-2019, Canada continued to encourage the ADB to do more in areas such as gender equality and women's economic empowerment, climate change, small island developing states and fragile states, private sector development, and blended finance. The Bank's Strategy 2030, released in July 2018, is closely aligned with Canada's advocacy objectives and the priorities of the Feminist International Assistance Policy. For example, the ADB committed to having at least 75% of its operations mainstream or target gender equality by 2030, at least 75% of its operations support climate change mitigation and adaptation, and its number of private sector operations reaching one third of AfDB operations by 2024.

ASIAN INFRASTRUCTURE INVESTMENT BANK (AIIB)

Canada's objectives at the AIIB, a nascent organization, differ from those at other MDBs. In 2018-2019, Canada's objectives at the AIIB centered around joining the institution, and subsequently helping to build a robust and modern bank, drawing on strengths from existing MDBs and the private sector. In addition, Canada paid careful attention to how the AIIB can help advance inclusive growth, particularly as it relates to gender equality, and mobilize private capital. Canada has successfully helped to shape and influence the AIIB's direction.

The AIIB is committed to a lean business model and has, for example, moved away from costlier elements, such as resident boards. The AIIB made significant progress on institutional governance, including by implementing the Policy on Public Information, which defines how the public accesses AIIB information; and the Project-Affected People's Mechanism, which is a complaints handling mechanism. Such policies provide a sound basis for MDBs to undertake long-term investments in a transparent manner to foster inclusivity and attract private investors. Through discussions at the AIIB, and by drawing on our governance expertise, Canada helped shape both policies.

In 2018, the AIIB continued to build momentum on its core sector strategies, introducing new ones, such as the Sustainable Cities Sector Strategy and the Transport Sector Strategy. Canada helped influence the direction of these strategies, emphasizing the significance of inclusive growth and gender equality, and the importance of mobilizing private sector capital.

Canada believes that given the relationships that MDBs maintain with the private sector, there is a natural opportunity for MDBs to help attract private capital. By doing so, MDBs are not only helping to tap into new sources of capital, particularly from institutional investors, but also helping to develop capital markets. For a nascent organization, the AIIB has made considerable progress on mobilizing private capital, including through the [AIIB ESG Enhanced Credit Managed Portfolio project](#). Canada continues to advocate for the AIIB to continue such efforts through its position on the Board of Directors.

Looking forward, Canada will continue to work on these issues, while also challenging the AIIB to tackle other cross-cutting policy issues, such as debt sustainability and climate resiliency.

CARIBBEAN DEVELOPMENT BANK (CDB)

In 2018-2019, Canada continued to work closely with the CDB to ensure that all its strategies, policies and operations take into account gender equality and the empowerment of women and girls; reduce poverty; and accelerate work in climate change adaptation. Given the pre-eminent role that the CDB has in the Caribbean Region and the fact that it is one of the strongest regional institutions, successful outcomes on Canada's international assistance programming in the region will rely heavily on the CDB's ability to support the 2030 Agenda for Sustainable Development.

The Bank's recent evaluation of its gender strategy indicates some progress in gender mainstreaming. The Bank recently drafted a new gender strategy and has integrated it as a cross-cutting theme in the recent strategic planning documents for the 2020-2024 period. In terms of organization efficiency, the Special Development Fund has achieved better results in 2018, with a higher rate of project completion reports and a shorter average time from loan approval to first disbursement.

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT (EBRD)

- 1. Promote operations that advance gender equality and the empowerment of women and girls, and develop a strong base of evidence to support gender equality actions, building on the EBRD's Strategy for the Promotion of Gender Equality and its Economic Inclusion Strategy**

With strong support from Canada, the EBRD is strengthening its institutional capacity to mainstream gender considerations in its operations. The EBRD continued to implement its Strategy for the Promotion of Gender Equality 2016-2020, which mainstreams gender objectives in its operations and focuses on increasing women's access to finance and business support, employment and skills development opportunities, and services. The EBRD is also integrating gender in country diagnostics and strategies, as well as sector strategies.

- 2. Work increasingly with other MDBs as a system to develop innovative approaches that could not otherwise be achieved by the EBRD or other organizations operating alone in, as for example, private capital mobilization and green economy transition**

In recent years, Canada has advocated for the EBRD and other MDBs to operate increasingly as a system to achieve outcomes that are beyond the ability of institutions acting alone. Important examples of EBRD collaboration with other MDBs in 2018 include: 1) the MDB Infrastructure Collaboration Platform to advance the G20 agenda on infrastructure as an asset class; 2) the Multilateral Development Banks' Harmonized Framework for Additionality in Private Sector Operations; 3) a joint MDB approach to climate financing, aligned with the objectives of the Paris Agreement; 4) a joint MDB statement committing to high standards for the prevention of sexual harassment, sexual exploitation and abuse, and sexual and gender-based violence both internal to the organizations and within MDB operations; and 5) a platform to enhance MDB collaboration on economic migration and forced displacement.

3. Prioritize resources to areas with the greatest need, notably Ukraine and countries in the southern and eastern Mediterranean region, while emphasizing the importance of continued political, economic and institutional reforms as a condition for support

The EBRD is the largest international financial investor in Ukraine. With Canada's strong support, the EBRD continued to invest heavily in Ukraine, committing €543 million in lending to new projects, making Ukraine the fifth-largest EBRD recipient in 2018. Over half of investments in Ukraine in 2018 supported green projects.

The EBRD provided a strong response to the crisis in Ukraine, which started in late 2013. In response to Russia's annexation of Crimea and subsequent role in destabilizing eastern and southern Ukraine, Canada and other key shareholders have opposed EBRD lending to new Russian projects since 2014. As a result, the Bank has not invested in new projects in Russia for almost five years. However, it continues to maintain its investments when required.

In addition, Canada has been a strong supporter of deepening investments in the southern and eastern Mediterranean (SEMED) region. The Bank's investments in the region reached close to €2 billion in 2018. In 2018, the EBRD began operations in Lebanon and in the West Bank and Gaza. Investments in Egypt also reached a record high, totalling €1.15 billion, making Egypt the largest recipient of EBRD investment in 2018.

The EBRD provided strong support to small businesses and invested heavily in renewable energy and energy efficiency projects. The Bank continued to provide support to countries that have been severely affected by the Syrian refugee crisis, such as Jordan, Lebanon and Turkey. Canada has also been a strong supporter of increasing the voice of the SEMED region within the EBRD. In 2018, the EBRD's Annual Meeting was for the first time held in the SEMED region, with Jordan hosting the event.

INTER-AMERICAN DEVELOPMENT BANK (IDB)

In 2018-2019 Canada continued to engage with the IDB Group: (comprising the IDB, its public sector arm; IDB Invest, responsible for private sector operations; and IDB Lab, a trust fund that serves as the Group's innovation laboratory by testing innovative ways to enable more inclusive growth) to: 1) promote full integration of gender equality and diversity considerations in its strategies, policies, and operations; 2) continue progress on climate change adaptation and mitigation; and 3) improve its results-based management.

Canada, with the support of other shareholders, succeeded in securing a commitment from the IDB Group to accelerate progress on gender equality and diversity in its upcoming update to its institutional strategy for 2020-2023.

Following on its 2015 commitment to double the volume of its total climate-related financing by 2030, the IDB Group increased its total climate-related financing to 27% of its operations in 2018, up from 16% in 2015. In addition to policy dialogue, Canada engages the IDB on climate change through joint programming, including the Canadian Climate Fund for the Private Sector in the Americas (C2F), which supports private sector projects across the region to help countries reduce their carbon footprint and adapt to the adverse impacts of climate change.

SECTION B: CANADA'S ENGAGEMENT IN WORLD BANK GROUP OPERATIONS



REPORTING REQUIREMENTS

The Bretton Woods Act came into force in 1985 to govern Canada’s engagement with the Bretton Woods institutions: the International Monetary Fund, and the World Bank Group (that is, the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, and the Multilateral Investment Guarantee Agency). The Bretton Woods institutions constitute important channels through which Canada delivers international assistance and supports global economic and financial stability.

As laid out in sections 13 and 14 of the Bretton Woods Act, the Minister of Finance is required to table an annual report in Parliament that provides a general summary of operations under the Act and details of operations that directly affect Canada, along with communiqués issued by the institutions’ governing committees. Sections B and C meet these reporting requirements.

For more information, refer to the text of the Bretton Woods Act on Justice Canada’s website: <https://laws-lois.justice.gc.ca/eng/acts/B-7/index.html>.

GOVERNANCE AND REPRESENTATION

Canada’s capital subscriptions and shareholding

The World Bank Group is governed by member countries, each of which owns shares of the agencies that make up the World Bank Group. Decision-making power is exercised primarily by countries, through their representative on the Board of Governors and their Executive Directors.

Canada is among the 10 largest shareholders at the World Bank Group. Since the World Bank’s creation in 1945, Canada has contributed a total of US\$8.6 billion in capital subscriptions to the IBRD, IFC, and Multilateral Investment Guarantee Agency (MIGA), and US\$12.3 billion in contributions to IDA (see Table 1).

Canada’s current voting power ranges from 2.5% to 3% within the Bank’s different institutions. Voting power at the Bank is a function of the shareholdings held by a country. A small share of a member’s voting power is also determined by basic votes, which are distributed equally among all members.

Table 1: Canada’s cumulative capital subscriptions, 2019

(US\$ millions, unless otherwise indicated)

	IBRD	IDA	IFC	MIGA
Capital subscriptions and contributions	8,499.3	12,250.2 ¹	81.3	56.5
Amount paid in	619.5	12,250.2	81.3	10.7
Amount not paid in but contingent on future capital requirements	7,879.8	–	–	45.8
Subscription or contributions share (%)	3.04	4.57	3.17	2.95
Voting power (%)	2.90	2.65	3.02	2.50

Note: Figures are from the 2019 financial statements and annual reports for the World Bank, IFC and MIGA.

¹ Represents Canada’s cumulative contributions to IDA and commitments made as part of our commitment to IDA’s 18th replenishment of IDA.

Information on the World Bank Group’s 2018-2019 fiscal year (July 1, 2018 to June 30, 2019) is provided in the [financial statements](#) of each entity. Further information on the World Bank Group’s performance can be found on its [Results webpage](#).

Canada at the Board of Governors

Each member appoints a Governor to represent it on the Board of Governors, the highest authority governing the World Bank Group. Governors are responsible for core institutional decisions, such as admitting or suspending

members, increasing or decreasing the Bank's authorized capital stock, determining the distribution of net income, and reviewing financial statements and budgets. Canada's Governor at the World Bank Group is the Minister of Finance, the Honourable Bill Morneau, and the Alternate WBG Governor is Canada's Deputy Minister of International Development, which was Diane Jacovella during the reporting period.

Canada at the Executive Board

Governors delegate responsibility for the day-to-day running of the organization to 25 full-time Executive Directors, located at the WBG's headquarters in Washington, D.C. Executive Directors are appointed for two years. They each represent a constituency, which can include more than one country. Canada holds one of the 25 seats on the Executive Board and represents a constituency of Ireland and 11 Caribbean countries. Representatives of the governments within the constituency provide advice to the Executive Director on issues discussed at the Executive Board. During 2018-2019, Canada's Executive Director to the WBG was Christine Hogan. During her three-year term, Ms. Hogan was one of the few women at the Executive Board. At the Board, she was successful in increasing attention to the lack of gender representation and was the inaugural chair of the working group on gender diversity.

The Executive Board usually makes decisions by consensus. In the event of a formal vote, however, the relative voting power of individual Executive Directors is based on the shares held by the constituencies they represent. Further information on Canada's Executive Director's office can be found on the [Board of Directors' website](#).

To learn more about the governance of the Executive Board, please visit the World Bank Group's [Boards of Directors' webpage](#).

Canada at the Development Committee

By virtue of its significant shareholding, Canada's Governor is also accorded a seat at the Development Committee of the Boards of Governors of the World Bank and IMF. The committee meets twice a year, at the Spring Meetings and the Annual (Fall) Meetings. The Development Committee is a

ministerial-level forum of the World Bank Group and the IMF for intergovernmental consensus-building on development issues and the financial resources required to promote economic development in developing countries.

In 2018-2019, Canada's Governor tabled two Development Committee statements on behalf of Canada's constituency, on October 13, 2018 in Bali, Indonesia, and on April 13, 2018 in Washington, D.C. Among other things, the Governors highlighted the need to take action against climate change, to tackle the issue of debt sustainability, to empower women and girls, and to develop innovative financing tools.

CANADA'S FINANCIAL CONTRIBUTIONS TO THE WORLD BANK GROUP IN 2018-2019

Canada is an important provider of funding to the World Bank Group. In 2018-2019, Canada made the following contributions, which are reported as Canadian official development assistance:

IBRD capital increase: Can\$250.4 million in paid-in capital and US\$1,273.4 million in callable capital

The IBRD capital increase was formally adopted in October 2018. It is expected to allow the institution to significantly increase its development financing to support the United Nations' SDGs and the WBG's Twin Goals of ending extreme poverty and promoting shared prosperity. The capital increase also included a significant reform agenda, such as ambitious targets to improve support toward gender equality and women empowerment, as well as efficiency measures to further optimize WBG resources.

As part of the capital increase, Canada subscribed to 12,101 additional shares for an amount of Can\$250.4 million in paid-in capital, and US\$1,273.4 million in callable capital.¹

¹ Callable share capital is composed of resources that are not paid to the banks but act as a guarantee to allow banks to borrow on international capital markets to finance their lending program. Callable share capital, which has never been drawn on by the banks, would only be utilized in extreme circumstances to repay loans, should a bank's reserves not be sufficient. It represents a contingent liability of the Government of Canada, and is listed in the Public Accounts.

IDA contribution: \$441.6 million

IDA is one of the largest sources of assistance for the world's 75 poorest countries, 39 of which are in Africa. Strongly aligned with Canada's international assistance priorities, IDA-financed operations address primary education, basic health services, clean water and sanitation, environmental safeguards, business climate improvements, infrastructure, and institutional reforms. IDA provides countries with low-interest loans, interest-free loans and grants based on a country's level of income and record of success in managing their economy and their ongoing IDA projects.

During the reporting period of July 1, 2018 to June 30, 2019, Canada provided \$441.6 million, as agreed under the IDA18 replenishment. This contribution supports IDA's efforts to enhance aid effectiveness, finance large regional projects such as infrastructure projects, and provide special assistance for fragile states, such as Afghanistan and Haiti, while ensuring countries do not take on unsustainable levels of debt.

Multilateral debt relief through the World Bank: \$51.2 million

Under the Multilateral Debt Relief Initiative (MDRI), the World Bank, IMF and African Development Fund (ADF) agreed to cancel 100% of eligible debts owed by heavily indebted poor countries. At the G8 Summit in Gleneagles, Ontario, in 2005, Canada and other donor countries agreed to fully compensate the World Bank, IMF and ADF for the debts they cancelled on behalf of poor countries, so as not to undermine the ability of these institutions to provide new financial support to low-income countries. Canada's total commitment over the 50-year lifespan of the MDRI is \$2.5 billion and payments are made annually. Debt relief under the Heavily Indebted Poor Countries Initiative and the MDRI has substantially reduced debt burdens in recipient countries. During the July 1, 2018 to June 30, 2019 reporting period, Canada provided \$51.2 million to the World Bank Group for the MDRI.

World Bank Group trust funds: \$365.5 million

World Bank Group trust funds are an effective instrument for channelling donor funding to address key strategic development issues at the country, regional or global level. In particular, trust funds leverage bank funding for development programs, particularly in post-disaster and post-conflict situations; enable donor and private sector financiers of development activities to partner with the Bank, consistent with harmonization objectives; build capacity to work in innovative areas; and work with civil society organizations. Trust funds can either be single- or multi-donor; Canada contributes to both types, with the majority of its contributions going to multi-donor trust funds.

Canada's engagement with the World Bank Group reflects a strong focus on:

- the Feminist International Assistance Policy, which puts the empowerment of women and girls at the centre of its development efforts;
- the poorest countries and countries in conditions of fragility and conflict through both IDA and IDA/IBRD trust fund portfolio;
- global public goods, such as health, including maternal and child health, and climate change mitigation, through IBRD/IDA trust funds and financial intermediary funds (FIFs);
- private sector development, reflected in the funding of IFC advisory services and investments and FIFs (such as the Global Infrastructure Facility); and
- country operations, with the majority of IBRD/IDA trust fund agreements either country- or region-specific. A high share (85%) of overall IBRD/IDA trust funds are recipient-executed.

Global Affairs Canada manages Canada's trust fund relationship at the World Bank Group. Table 2 provides a list of Global Affairs Canada trust fund disbursements in 2018-2019.

Table 2: Global Affairs Canada disbursements to WBG trust funds in 2018-2019

Trust funds	Disbursements between July 1, 2018 and June 30, 2019 (\$ millions)
Africa	
Supporting Renewable Energy in Africa – Africa Renewable Energy Initiative (AREI)	89.0
Strengthening Regional Disease Surveillance (West Africa)	5.0
Support to Phase II of Ethiopia's Agricultural Growth Program	4.0
Strengthening National Sexual and Reproductive Health Services (Mozambique)	15.0
Enhancing Extractive Sector Benefit Sharing (Côte d'Ivoire, Ghana, Guinea and Kenya)	3.2
Americas	
Improving Girls' Access to Secondary Education (Haiti)	4.0
Global Concessional Financing Facility - Venezuelan Migrants (Colombia)	18.0
Asia	
Pacific Catastrophe Risk Assessment and Financing Initiative (South Pacific)	0.6
Natural Resources for Development Program (Indonesia)	2.3
Accelerating Sustainable Public-Private Investment for Infrastructure Renewal (Indonesia)	1.8
Strengthening Health Systems and Services (Bangladesh)	7.0
Support to the Afghanistan Reconstruction Trust Fund (2017-2020)	55.0
Middle East and North Africa	
Jordan Program Support Facility (Middle East)	0.2
Global Concessional Financing Facility for the Middle East and North Africa Region (Jordan and Lebanon)	5.5
Municipal Services and Social Resilience (Jordan)	5.0
Gender and Social Protection in Iraq: Towards Women's Economic Empowerment	1.3
Support for an Analytical Roadmap for Syria and the Region (Iraq, Jordan, Lebanon and Syria)	0.6
Mashreq Gender Technical Assistance Facility – Iraq, Lebanon and Jordan	8.1
Global Initiatives and Strategic Policy	
Support to the Global Financing Facility (Global)	40.0
Global Partnership for Education - Institutional support (2018-2020) (Global)	30.0
Consultative Group on International Agriculture Research - Institutional support (2018) (Global)	10.0
Global Financing Facility: Advancing Sexual and Reproductive Health and Rights (Burkina Faso and Côte d'Ivoire)	10.0
Addressing Barriers to Education (Africa)	50.0
Total¹	365.5

¹ Total may not add due to rounding.

Sources: Global Affairs Canada, Chief Financial Officer - Statistics

OBJECTIVES AND RESULTS OF CANADA’S WBG TRUST FUNDS

As Canada continues to engage with the World Bank Group through trust fund arrangements, the effectiveness of these partnerships is assessed to ensure that development outcomes are being achieved. Key areas of progress include:

Global Partnership for Education (GPE)

Canada contributed \$30 million to the [GPE](#) in 2018-2019, the first disbursement of \$150 million over three years (2018-2019 to 2020-2021). At the GPE Replenishment event in Dakar, Senegal, in February 2018, Canada announced a pledge of \$180 million, of which \$150 million is new money. Canada is the tenth-largest donor to the GPE.

In 2018, GPE grants supported an estimated 22.2 million students: 20.2 million in primary school and 2 million in lower secondary. Of these, 16.6 million were in fragile and conflict-affected states, which surpassed GPE’s goal for support to countries affected by fragility and conflict by more than 45%. Nearly half—10.6 million—of the students were girls.

Global Financing Facility (GFF) in support of Every Woman Every Child

As a founding donor to the GFF, Canada has committed a total of Can\$290 million to the GFF between 2015 and 2023. The GFF held its first replenishment in November 2018, when they raised US\$1 billion with the support of 15 donors, including 10 new ones. At that replenishment, Canada announced a Can\$50-million pledge for girls’ education in fragile states (2018-2023).

The GFF is now working with 27 countries. In the 16 original countries, the GFF has mobilized US\$3.5 billion in World Bank concessional financing using US\$492 million of GFF trust fund grants.

Africa Renewable Energy Initiative (AREI)

Canada, along with other G7 partners, is supporting the goals of the Africa Renewable Energy Initiative (AREI). This African-owned platform is governed by a board, which is constituted by African heads of state.

The AREI aims to achieve at least 10 gigawatts (GW) of new and additional renewable energy generation capacity by 2020, and mobilize African potential to generate at least 300 GW

by 2030. Ultimately, the Initiative will lead to 340,000 metric tons of CO₂ per year being reduced or avoided, which will benefit up to 930,000 people through improved access to clean energy. The Initiative will adopt a gender-sensitive implementation approach.

Canada’s Can\$150-million contribution in support of this African-led action plan is part of a loan fund managed by the World Bank Group’s IFC. The loan fund will accelerate African countries’ efforts to transition to more efficient, less expensive, and cleaner forms of energy. This contribution is expected to leverage US\$350 million in additional public and private investments.

WORLD BANK PROCUREMENT FROM CANADA

The Trade Commissioner Service (TCS) works closely with Canadian companies to increase awareness and pursuit of multi-sectoral procurement opportunities at the IFIs. The TCS maintains Offices of Liaison with International Financial Institutions (OLIFIs). The Washington, D.C., OLIFI helps businesses access WBG procurement opportunities.

Table 3: Disbursements by IBRD and IDA borrowers: Goods and services from Canada

(US\$ millions)

By World Bank fiscal year (July 1 – June 30)	Amount
2007-2008	61.4
2008-2009	51.6
2009-2010	80.0
2010-2011	49.8
2011-2012	31.2
2012-2013	177.6
2013-2014	105.5
2014-2015	47.1
2015-2016	27.1
2016-2017	19.6
2017-2018	37.1
2018-2019	53.0

Note: Based on World Bank Group figures as of July 31, 2019.

Table 4: Disbursements by IBRD and IDA borrowers: Suppliers of goods and services from Canada, 2018-2019
(US\$)

Supplier	Sector	Category	Amount
WNL Development Solutions	Agriculture, fishing, and forestry	Consultant services	4,130,478
Acacia Consulting	Agriculture, fishing, and forestry	Consultant services	452,005
Dillon Consulting Ltd	Agriculture, fishing, and forestry	Consultant services	452,005
Turcotte Paul Andre	Agriculture, fishing, and forestry	Consultant services	24,104
Groupement Spatial Dimension (lead) and Hi-Tech	Education	Consultant services	483,550
Geotech Ltd	Energy and extractives	Non-consulting services	5,316,687
Hatch Limited	Energy and extractives	Consultant services	3,405,911
WSP Canada Inc	Energy and extractives	Consultant services	801,264
Artelia	Energy and extractives	Consultant services	602,481
Bleakburn Capital L.P.	Health	Goods	289,745
Socodevi	Industry and trade/services	Consultant services	1,654,070
Jv Sogema Technologies Inc (lead) and Cowatersogema Interna	Public administration	Goods	6,089,372
Cowater International Inc.	Public administration	Consultant services	1,568,595
Setym International	Public administration	Consultant services	622,943
C2d Services	Public administration	Consultant services	199,876
Lea Consulting Limited	Transportation	Consultant services	1,646,814
Individual Consultant	Transportation	Consultant services	655,501
Canadian Leader International	Transportation	Consultant services	576,149
Morrison Hershfield International Inc, in Association With AR	Water, sanitation, and waste	Consultant services	1,100,000
Exp. International Services Inc.	Water, sanitation, and waste	Consultant services	\$858,647
Jv Aecom Artelia	Not assigned	Consultant services	12,027,520
Freebalance Inc.	Not assigned	Goods	6,200,120
Grand Challenge Canada	Not assigned	Non-consulting services	2,000,000
Groupement Ceci-Socodevi-Aecom	Not assigned	Consultant services	1,129,242
Ciedd/Fokabs/Arbonaut	Not assigned	Consultant services	357,497
Individual consultant	Not assigned	Consultant services	189,100
Individual consultant	Not assigned	Consultant services	76,260
Individual consultant	Not assigned	Consultant services	75,460

Note: Based on World Bank Group figures as of July 31, 2019.

COMMUNIQUE OF THE DEVELOPMENT COMMITTEE OF THE BOARDS OF GOVERNORS OF THE WORLD BANK AND IMF (AS REQUIRED UNDER THE BRETTON WOODS ACT)

World Bank-IMF Annual Meetings 2018: Development Committee Communiqué

October 13, 2018

1. The Development Committee met today, October 13, in Bali, Indonesia.
2. Global economic growth remains strong, but uneven, while manufacturing and trade growth have moderated. Downside risks to global growth have intensified for multiple reasons. These include policy uncertainty, geopolitical developments, the gradual tightening of global financing conditions, as well as rising debt levels and currency volatility. We underline the crucial role of international trade for economic growth, job creation and sustainable development. We call on member countries, with support from the World Bank Group (WBG) and the International Monetary Fund (IMF), to implement policies that ensure robust and inclusive economic growth, reduce risks, and foster competitiveness, while strengthening fiscal sustainability and financial resilience.
3. We remain concerned about the rise of debt vulnerabilities in some emerging markets and low-income countries, which risks reversing the benefits of earlier debt relief initiatives. Deteriorating debt outlooks are increasing these countries' vulnerabilities as global economic risks mount. This necessitates solid policy frameworks, adequate fiscal and external buffers, and sustainable and transparent lending practices. We ask the WBG and IMF, based on their respective mandates, to help member countries strengthen their fiscal positions by improving debt management capacity, increasing domestic resource mobilization and deepening local capital markets. We support the WBG-IMF multipronged approach to work with borrowers and creditors to improve the recording, monitoring, and transparent reporting of public and private debt obligations, as well as efforts to strengthen creditor coordination in debt restructuring situations, drawing on existing fora.
4. Our meetings had a strong focus on building human capital, particularly given the implications of technological advances on jobs, the financial sector, and other aspects of development. New jobs are being created that did not exist a decade ago, while some skills that were formerly relevant are becoming obsolete. We discussed the need to ensure that all individuals have access to the skills and capabilities to adapt and prosper in the face of digital disruption. Given the strains on public finance systems, new approaches will be required.
5. We welcome the World Development Report 2019: The Changing Nature of Work and its approach to facilitate policymakers' understanding of near- and long-term challenges. Building human capital demands significant investment and evidence-based policymaking, which will require new and effective revenue mobilization strategies and approaches, including for social protection, health and education systems with universal coverage. We urge the WBG to provide targeted financing and advice to help clients address these challenges while also building incentives for work. To help countries prioritize investing in people, we call on the WBG and IMF to provide tailored support and capacity building to increase domestic resource mobilization, combat illicit financial flows, fight against tax avoidance and evasion, encourage investors, and create innovative financing tools for development.
6. We support the WBG emphasis on the need for increased and more effective and inclusive investments in better learning and health outcomes. We welcome the Human Capital Project (HCP) and the launch of the Human Capital Index (HCI), with the supporting program of country engagement. These can provide a platform to support clients' long-term efforts to invest in national and global health and learning systems, helping them prepare for an economic future that will be transformed in profound ways by technological change. We call on the WBG to continue this work, recognizing the potential for further methodological refinements, including through the development of comprehensive disaggregated data on health and education, in cooperation with relevant multilateral agencies.
7. Technology offers new opportunities to accelerate progress towards the twin goals of eradicating extreme poverty and boosting shared prosperity. At the same time, it introduces new risks, including increased inequality within and between countries. Urgent action is needed to maximize potential benefits and mitigate risks. We support the role the WBG can play in helping countries find new pathways to sustainable, inclusive growth by building the foundations of the digital economy; boosting the capacity of people, firms and institutions; and brokering technology

solutions. We ask that WBG management prepare an approach to mainstream the agenda by Spring 2019, taking into account the need to work strategically with client countries and relevant partners, including the private sector and multilateral development banks (MDBs).

8. Financial technology (Fintech) is a key pillar in the WBG's larger engagement on disruptive technologies. Fintech can support inclusive sustainable growth and poverty reduction by strengthening financial development and inclusion for households and firms, as well as improving efficiency and competition in the financial sector. However, Fintech may also pose risks to financial stability, integrity, and consumer and investor protection. We welcome development of the Bali Fintech Agenda by the WBG and the IMF, which brings together key considerations for policymakers and the international community. Working within their respective mandates, and in close collaboration with other partners, the institutions should help harness the potential of Fintech to deepen financial markets, enhance responsible access to financial services, facilitate cross-border payments, strengthen remittance systems, and better manage risks associated with use of these technologies. A focus should be placed on low-income countries, small states, and marginalized communities, especially to close gaps in access to finance for women and for Micro, Small and Medium Enterprises (MSMEs).
9. The private sector is especially critical to creating jobs and well-functioning economies, including in IDA countries and in fragile and conflict-affected states. We urge the WBG to continue efforts to operationalize Maximizing Finance for Development (MFD) through the "cascade" approach. The cascade entails the World Bank, IFC, and MIGA working jointly to level the playing field and pursue private sector solutions to help achieve development goals, while reserving public finance for projects that the private sector cannot support. We commend IFC for its strategic efforts to create markets, support pioneering investments, and provide opportunities where they are most needed. IFC can help investments succeed through its due diligence, mobilization, capacity building and advisory services. We also commend MIGA's contributions to increasing investment in developing countries through access to long-term financing at lower cost and anticipate MIGA playing a greater role in MFD.
10. We reiterate our support for IDA and acknowledge its central role in achieving the WBG's twin goals as well as its contribution to the Sustainable Development Goals. We welcome the strong progress on IDA18 implementation including regional programs, support to refugees, the launch of the new Private Sector Window, and the first IDA bond issuance. We call on IDA to continue to innovate,

focus on development outcomes, and prioritize the IDA18 themes: jobs and economic transformation; gender; climate; fragility, conflict and violence; and governance and institutions. We look forward to the outcomes of the IDA Midterm Review.

11. The most vulnerable people are disproportionately affected by fragility, pandemics, natural disasters, and climate change. At the same time, they often lack access to basic infrastructure for food, energy and water. We call on the WBG, in cooperation with partners across the public and private sectors, to continue exploring innovative solutions, applying evolving technologies, and broadening South-South cooperation on crisis risk management. We also urge the WBG to continue mainstreaming crisis preparedness, prevention, response and resilience, working at the humanitarian-development nexus. It should also deliver financing and policy advice that enables clients, especially low-income countries and small states, to make greater use of risk financing instruments and develop quality climate- and disaster-resilient infrastructure and investments.
12. We thank the WBG Boards and management for submitting the draft resolutions on the IBRD and IFC capital increases to Governors. We welcome the adoption of the IBRD capital increase resolutions, which is a critical first step towards effective implementation. We are encouraged by the rapid pace of approvals of the IFC resolutions and we welcome the ongoing efforts by shareholders to secure outstanding adoptions. We look forward to an update at the Spring Meetings 2019 on implementation of the capital package commitments.
13. The Committee would like to express its appreciation to the Government of Indonesia for hosting the Annual Meetings. We also express our condolences for the tragic loss of lives and devastation in Central Sulawesi and Lombok. We thank Ms. Sri Mulyani Indrawati, Minister of Finance of Indonesia, for her invaluable guidance and leadership as Chair of the Committee during the past two years. We welcome her successor, Mr. Ken Ofori-Atta, Minister of Finance of Ghana.
14. The next meeting of the Development Committee is scheduled for April 13, 2019 in Washington, D.C.

World Bank-IMF Spring Meetings 2019: Development Committee Communiqué

April 13, 2019

1. The Development Committee met today, April 13, in Washington, D.C.
2. The global outlook foresees a moderate slowdown in economic activity, while lingering downside risks remain. Global trade growth has weakened, investment prospects have softened, debt vulnerabilities persist, and policy uncertainty weighs on confidence. We reiterate the important role of international trade and investment as engines of growth, productivity, innovation, job creation and sustainable development. We continue to support the World Bank Group (WBG) and the International Monetary Fund (IMF) in their multipronged approach, with borrowers and creditors, to improve the recording, monitoring, and reporting of public and private debt, as well as efforts to strengthen creditor coordination in debt restructuring situations, drawing on existing fora. We stress the importance of adopting growth-enhancing policies while containing risks and protecting the most vulnerable. We call on both institutions to work jointly with policy makers to identify the right balance, given country circumstances, between supporting demand and rebuilding fiscal space; to help countries improve debt management capacity, sustainability, and transparency; and to strengthen domestic resource mobilization.
3. We endorsed a transformative capital package for IBRD and IFC one year ago. This package and the Forward Look guide the WBG's strategic direction to 2030. We welcome the paper Update: The Forward Look and IBRD-IFC Capital Package Implementation and the significant policy reforms delivered, including: IBRD loan pricing and Single Borrower Limit differentiation, the IFC additionality framework, the IBRD Financial Sustainability Framework, and the revised methodology for staff compensation. We also note the strong yet selective WBG engagement in countries above the graduation discussion income as reflected in the revised guidance for country partnership frameworks. We encourage the Bank Group to continue implementing and monitoring the agreed efficiency measures. We request management to continue tracking progress against the Forward Look and capital package commitments and to update the Governors in one year.
4. We welcome the ongoing work by shareholders to start the subscription documentation and payment process for the IBRD capital increase launched on October 2, 2018. We urge that all outstanding adoptions of IFC resolutions be secured by September 18, 2019.
5. We remain committed to the twin goals of ending extreme poverty and boosting shared prosperity as well as the WBG's global role and the objectives set out in the Forward Look: (i) serving all clients; (ii) leading on the global public goods agenda, (iii) creating markets, and (iv) continually improving the business and operational model. Effective implementation will require strong country partnership with IBRD and IDA clients with a focus on measurable development outcomes. The capital package will enhance WBG leadership in the key areas of crisis preparedness, prevention and management; situations of fragility, conflict and violence (FCV); climate change; gender equality; knowledge and convening; and regional integration.
6. The Bank's fund for the poorest countries, IDA, is critical to reaching the WBG's goals as well as to achieving the Sustainable Development Goals (SDGs). We welcome the strong delivery of the ambitious and innovative IDA18 package and support recently proposed adjustments, particularly the reallocation across IDA windows. We call on the Bank Group to strengthen emphasis on jobs and economic transformation in IDA countries, one of the IDA19 special themes. We also support the other special themes—governance and institutions, gender, climate change and FCV—as well as the cross-cutting areas of debt, disability, human capital and technology. We observe the rising debt levels in IDA countries and encourage measures to enhance their debt sustainability. We look forward to the outcomes of the upcoming meeting of IDA Deputies and their guidance on strategic directions and the IDA19 Roadmap.
7. We welcome the Mainstreaming the Approach to Disruptive and Transformative Technologies at the World Bank Group paper and the WBG's efforts to make these technologies affordable and accessible for developing countries. We encourage the WBG to create opportunities for the poor and mitigate risks associated with technology. We ask the Bank Group to continue to work with countries as well as private and public sector partners to mainstream this agenda across sectors. We particularly welcome its work on competitiveness, innovation and consumer protection by supporting agile regulations. We also call on the WBG and IMF to continue work on fintech issues, building on the momentum generated by the Bali Fintech Agenda.

8. Investments in human capital that produce better learning and health outcomes are critical to productivity and economic well-being. We welcome the strong start on the Human Capital Project and the fact that close to 60 countries have joined thus far. We request further development of disaggregated data and refinement of indicators under the Human Capital Index and an emphasis on policy reforms that achieve tangible results. We look forward to an update on the Human Capital Project in October 2019.
9. The private sector plays a key role in providing sustainable solutions to development challenges, creating markets, mobilizing investment and generating jobs. We encourage the WBG to foster enabling business environments, leverage capital, and implement the Cascade to maximize finance for development. We support the IFC 3.0 strategy to catalyze private sector investments. We acknowledge IFC and MIGA efforts to increase investments in IDA countries and fragile situations, and we support the use of the IDA Private Sector Window to reach the most vulnerable, recognizing that such projects come with higher risks. We call on the World Bank, IFC and MIGA to be innovative and work together in mobilizing private sector solutions and resources, leveraging sectoral reforms, and mitigating investment risks.
10. Fragility, conflict and violence cause human suffering, vulnerability and displacement, and economic stress, all posing challenges to delivering the 2030 Agenda. In addition, economic crises, natural disasters, and pandemics can test countries' resilience and threaten development gains. Building institutional capacity, developing disaster resilience, and encouraging knowledge sharing and South-South cooperation are also key priorities, particularly for small states. We support strengthening domestic resource mobilization, addressing illicit financial flows and corruption, as well as investing in quality infrastructure and enhancing energy security to improve the response to crises. We reiterate the importance of delivering on the WBG's Climate Change Action Plan. We look forward to the development of a strategy on FCV.
11. As the WBG scales up work in high-risk scenarios, where institutional capacity is often weak, strong environmental and social protections and accountability processes are critical, and we support the WBG's continued commitment in these areas. We acknowledge the important role that the World Bank's Inspection Panel and the IFC and MIGA Compliance Advisor Ombudsman play in accountability, lessons learned, and mitigating risks in an efficient and effective way.
12. We urge the WBG to continue to work closely with public and private partners including international financial institutions and the UN, on the most pressing development challenges. We note that heads of state will gather in September for the UN summit focusing on climate, universal health coverage, SDGs, financing for development, and small island developing states. We also underscore the importance of continued WBG and IMF collaboration in implementing their respective mandates as well as the potential of multilateral development banks working as a system to improve their response to common challenges, including through a coordinated country platform approach.
13. We are encouraged by progress on diversity and inclusion among WBG staff and management, and we continue to support the Board in its work to enhance and promote gender diversity at the WBG Executive Boards. Closing gender gaps is smart economics, while balanced representation and full gender equality are central to the Bank's mission. We urge continued work on this front.
14. We congratulate Mr. David Malpass on his selection as President of the World Bank Group and look forward to working closely with him. We value his strong commitment to the Bank Group, its mission and strategy. We express our appreciation to Dr. Jim Yong Kim for his leadership of the WBG and its significant accomplishments during his tenure. We also thank Ms. Kristalina Georgieva for her leadership and effective management of WBG affairs as Interim President.
15. The next meeting of the Development Committee is scheduled for October 19, 2019, in Washington, D.C.

SECTION C: CANADA'S ENGAGEMENT IN INTERNATIONAL MONETARY FUND OPERATIONS



As one of 29 signatories to the original IMF Articles of Agreement, Canada has been an influential member of the IMF since 1945. Canada is engaged in all aspects of IMF governance and activities, and plays a collaborative role with our international partners to ensure that the IMF is effectively fulfilling its mandate. A healthy and stable global economy creates more jobs for Canadians, promotes stable prices for goods and services, and improves our standard of living.

GOVERNANCE AND REPRESENTATION

Canada's voting share

Member countries' voting shares are based largely on their relative global economic weight and openness to international trade. Canada holds a sizeable 2.22% IMF voting share, making Canada the 11th-largest member during the reporting period.

Table 1: Voting shares of top 20 IMF members
(Percentage of total votes)

Rank	Country	Share (%)
1	United States	16.5
2	Japan	6.2
3	China	6.1
4	Germany	5.3
5	France	4.0
6	United Kingdom	4.0
7	Italy	3.0
8	India	2.6
9	Russian Federation	2.6
10	Brazil	2.2
11	Canada	2.2
12	Saudi Arabia	2.0
13	Spain	1.9
14	Mexico	1.8
15	Netherlands	1.8
16	Korea	1.7
17	Australia	1.3
18	Belgium	1.3
19	Switzerland	1.2
20	Turkey	1.0

Canada at the Board of Governors

The IMF is accountable to its member countries through a number of mechanisms. The Board of Governors, composed of a Governor and an Alternate Governor appointed by each member country, is the IMF's highest decision-making body. The Board of Governors is responsible for the most important institutional decisions required under the Articles of Agreement (e.g. approving quota increases, admitting new members, and amending Articles and by-laws). Canada's Governor to the IMF is the Minister of Finance, the Honourable Bill Morneau, and the Alternate Governor is Bank of Canada Governor Stephen Poloz.

Canada at the Executive Board

The Board of Governors delegates authority over the IMF's regular business to the 24-member Executive Board, which is chaired by the IMF's Managing Director. The constituency system allows the 24 Board members to represent all 189 member countries, making it easier to conduct day-to-day business.

Canada holds one of the 24 seats on the Executive Board and represents a constituency of 12 countries.² With all constituency members combined, the Executive Director for Canada holds a voting power of 3.38%—making our constituency the 12th-largest by voting power of 3.38%—making our constituency the 12th-largest by voting share. Given Canada's financial contributions and level of IMF engagement, a Canadian has always held the Executive Director position within our constituency. Canada's current Executive Director is Louise Levonian. Ms. Levonian is supported by a small staff of seconded individuals from the countries represented within our constituency.

The Executive Board usually operates on a consensus basis, so formal votes are rare. Canada attempts to contribute to the development of policy proposals before they are brought to the Board through informal discussions with staff and management, or through consultation with other members of the Executive Board.

To learn more about the governance, representation and accountability structures of the IMF, please visit the IMF's Governance Structure website at <https://www.imf.org/external/about/govstruct.htm>.

Canada at the International Monetary and Financial Committee (IMFC)

The IMFC advises and reports to the Board of Governors on international monetary and financial matters, and responses to emerging issues of global importance. While it has no formal decision-making powers, it plays an important role in setting the strategic direction of the Fund. The composition of the IMFC mirrors that of the Executive Board. Therefore, Canada's Minister of Finance occupies one of the 24 seats at the IMFC table. The IMFC usually meets twice a year, during the IMF-World Bank Annual and Spring Meetings, and produces communiqués providing strategic direction and policy guidance to the IMF Managing Director and the Executive Board. The Minister of Finance tables written statements on behalf of our constituency³ during the Annual and Spring Meetings that outline our collective views on the specific governance, surveillance and lending activities of the Fund. These statements are published on both the Department of Finance and IMF websites.

IMF RESOURCES, LENDING, AND CAPACITY DEVELOPMENT

IMF financial resources

The IMF's total financial resources are composed of both permanent and temporary resources. Members' permanent quota⁴ subscriptions are the primary component of IMF financial resources. These are supplemented by New Arrangements to Borrow, a renewable multilateral borrowing arrangement that represents a second line of defence, in which Canada participates. Additionally, the IMF currently maintains temporary bilateral borrowing arrangements with 40 members (including Canada), which serve as a third line of defence. In the event of another major global economic crisis, the Fund can draw on these multi- and bilateral lines of credit after all other resources have been effectively depleted. Further information can be found at the IMF's multilateral and bilateral borrowing website, <https://www.imf.org/en/About/Factsheets/Where-the-IMF-Gets-Its-Money>.

While the resources outlined above can be used to support the macroeconomic adjustment needs of any member country, the IMF also maintains a special trust fund to enable concessional lending to the poorest and most vulnerable members.⁵ The Poverty Reduction and Growth Trust (PRGT) is financed through loan and grant contributions from members such as Canada, as well as through the transfer of IMF net-income resources.

IMF financial operations are conducted in Special Drawing Rights (SDR)⁶, an international reserve asset created by the IMF to supplement the existing official reserves of member countries. Table 2 summarizes the IMF's financial resources, and Canada's commitments to and financial position at the Fund as of April 30, 2019. For more information on IMF finances, see the IMF's 2019 Annual Report of the Executive Board at <https://www.imf.org/en/publications/areb>.

3 [IMFC Statements by Country, October 12-13, 2018](https://meetings.imf.org/en/2018/Annual/Statements) (<https://meetings.imf.org/en/2018/Annual/Statements>), [IMFC Statements by Country, April 12-13, 2019](https://meetings.imf.org/en/2019/Spring/Statements) (<https://meetings.imf.org/en/2019/Spring/Statements>).

4 [IMF Quotas](https://www.imf.org/en/About/Factsheets/Sheets/2016/07/14/12/21/IMF-Quotas) (<https://www.imf.org/en/About/Factsheets/Sheets/2016/07/14/12/21/IMF-Quotas>).

5 [IMF Support for Low-Income Countries](https://www.imf.org/en/About/Factsheets/Sheets/2016/08/01/16/04/Financing-the-IMFs-Concessional-Lending-to-Low-Income-Countries) (<https://www.imf.org/en/About/Factsheets/Sheets/2016/08/01/16/04/Financing-the-IMFs-Concessional-Lending-to-Low-Income-Countries>).

6 The SDR serves as the unit of account of the IMF. Its value is based on a basket of currencies comprising the U.S. dollar, euro, pound sterling, Japanese yen, and Chinese renminbi. SDRs can be exchanged for the freely useable currencies of IMF members. On April 30, 2019, 1 SDR equaled 1.860110 Canadian dollars.

Table 2: Summary of IMF financial resources and Canada's financial position at the IMF, as of April 30, 2019
(Billions)

	Total (SDR)	Canada's contribution (SDR)	Canada's contribution (CAD*)	Drawn From Canada's contribution (SDR)
General Resources Account				
Quota	477	11.0	20.5	1.8
New arrangements to borrow	182	3.9	7.2	0.3
Bilateral borrowing agreements	317	8.2	15.2	0
Poverty Reduction and Growth Trust				
Active loan commitments		1.0	1.9	0.2**

Sources: IMF: Canada: Financial Position in the Fund, available online at <https://www.imf.org/external/np/fin/tad/exfin2.aspx?memberkey1=130&date!Key=2019-04-30>; Department of Finance Canada calculations

* Estimate based on the Can\$/SDR exchange rate on April 30, 2019

** On April 30, 2019, SDR0.14 billion was outstanding.

IMF lending programs

The IMF makes its resources available to help members finance temporary balance of payments problems while they implement economic policy adjustments. The IMF provides this assistance through two types of lending arrangements: non-concessional lending that is available to all members, and concessional lending available to qualifying low-income member countries. Non-concessional lending is financed out of the Fund's normal resources grouped under the General Resources Account, whereas concessional lending is financed out of the PRGT. Details on the IMF lending process and instruments are available on the IMF lending website at <https://www.imf.org/en/About/Factsheets/IMF-Lending>.

Lending arrangements

During its 2018-2019 fiscal year (May 1, 2018 to April 30, 2019) the IMF approved seven new non-concessional lending arrangements, as well as one augmentation and one diminution to two existing arrangements, totalling SDR 50.5 billion (approximately \$93.9 billion). There are currently 21 active non-concessional arrangements with the Fund, totalling SDR132.1 billion (approximately \$245.7 billion).

The IMF also approved two new concessional arrangements and two augmentations to existing arrangements under the PRGT, amounting to SDR 0.2 billion (approximately \$0.4 billion). Overall, there are 16 active PRGT arrangements totalling SDR 2.4 billion (approximately \$4.5 billion).

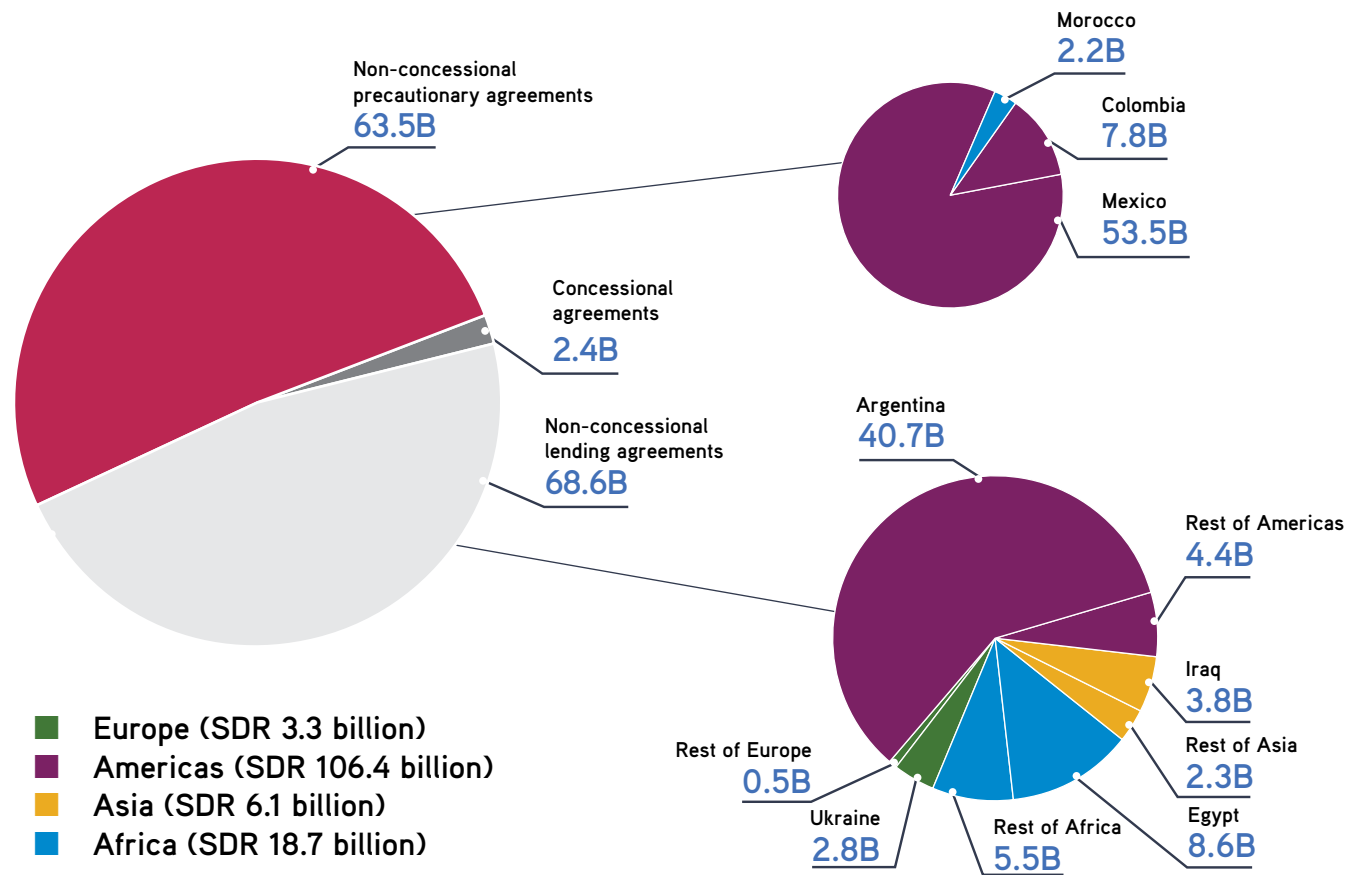
Table 3 provides a summary of new IMF lending arrangements approved in 2018-2019. Chart 1 provides an overview of active IMF lending arrangements. A complete list of the IMF's active lending arrangements is available in its annual report and on the IMF Lending Arrangements website at <http://www.imf.org/external/np/fin/tad/extarr11.aspx?memberKey1=ZZZZ&date!key=2020-02-28>.

Table 3: Summary of new lending arrangements approved during 2018-2019

	Number of new arrangements	Size (SDR billions)	Size (\$ billions)
Non-concessional lending	9	50.5	93.9
Program lending	5	44.1	82.0
Precautionary lending	2	10	18.6
Augmentations to existing arrangements	2	-3.6	-6.7
Concessional lending (PRGT)	4	0.2	0.4
Program lending	2	0.2	0.4
Augmentations to existing arrangements	2	>0.1	>0.1
Total lending	13	50.7	94.3

Source: IMF, Department of Finance Canada calculations.

Chart 1: Current IMF lending arrangements (in SDR)



Sources: IMF, Department of Finance Canada calculations.

Capacity development

For more than 50 years, the IMF has provided technical assistance and capacity development (TA/CD) to members to strengthen their domestic institutions' ability to foster effective policies that lead to greater economic stability and growth. IMF TA/CD activities are both internally and externally financed at about equal proportions. They accounted for nearly one third of its budget in 2018-2019. Total spending on TA/CD was US\$306 million, including US\$168 million that was funded externally. For more information, see IMF Capacity Development online at https://www.imf.org/external/np/ins/english/capacity_about.htm.

Canada's contributions to capacity development

External partnerships allow the IMF to scale up its capacity building efforts for members in need. Canada has historically been among the largest external contributors to IMF TA/CD, having provided approximately US\$127.3 million (approximately \$170.5 million) since 2010 (see Table 4 for details). This support has helped low- and middle-income countries build their governance capacity in areas such as central bank functions, public financial management, and financial sector development and oversight. Canadian-financed TA/CD is generally delivered in three distinct ways:

1. Regional Technical Assistance Centres (RTACs):

The IMF has developed a regionally tailored approach to TA/CD delivery. In addition to the training offered at the IMF Institute for Capacity Development in Washington, D.C., the IMF operates seven regional training institutes and nine RTACs in Africa, Asia, the Caribbean, Central America, China, the Middle East, and the Pacific. For more information, see IMF Regional Capacity Development Initiatives at <https://www.imf.org/en/about/factsheets/sheets/2017/06/14/imf-regional-capacity-development-initiatives>.

2. Country-directed initiatives: Member countries, other IFIs, and IMF project financing vehicles (e.g. RTACs, multi-donor trust funds, and country-specific trusts) can maintain "subaccounts" for targeted technical assistance initiatives and/or retaining a strategic reserve for rapid response to emerging priorities. Canada maintains a subaccount to support various TA/CD activities in the Caribbean, Ukraine, the Middle East, and Africa. In 2018, Canada topped-up its subaccount as part of a broader, \$20-million commitment to increase its support for IMF TA/CD for small island developing states and other low-income countries.

3. Multi-donor trust funds: The IMF manages several thematic funds. Examples include the Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) Fund, along with others that focus on improving data availability, public debt management and other public financial management issues. In addition, there are two fragile state funds that specifically focus on supporting South Sudan and Somalia.

Canada has previously supported multi-donor trust funds, including the AML/CFT Thematic Trust Fund, the IMF-Somalia Trust Fund for Capacity Development, and IMF participation in the World Bank's Supporting Economic Management in the Caribbean project. For more information, see Thematic Funds for Capacity Development at <https://www.imf.org/en/About/Factsheets/Sheets/2017/04/19/Funds-for-Capacity-Development>.

Table 4: Canadian technical assistance

(US\$ millions)

	Total disbursed from 2010-2011 to 2017-2018	Amount disbursed in 2018-2019
Regional Technical Assistance Centres		
Caribbean Regional Technical Assistance Centre	23.3	6.3
Central America, Panama and the Dominican Republic Regional Technical Assistance Centre	11.0	1.6
Africa Regional Technical Assistance Centres	10.4	0
Country-directed initiatives		
Canadian Global Technical Assistance Subaccount	16.7	6.8
Ukraine Selected Capacity Development Activities	21.7	0
Canada-Caribbean Enhanced Public Financial Management Project	12.1	4.5
AML/CFT and other Selected Fund Activities	2.2	0.2
Multi-donor thematic trust funds		
Somalia Trust Fund for Capacity Development	2.5	0
AML/CFT Thematic Fund	2.3	0
World Bank Subaccount for Selected Fund Activities	5.9	(0.2)
Financial Sector Reform and Strengthening Initiative	0.1	
Total amount	108.1	19.2

Notes: IMF capacity development financing is denominated in US dollars. On April 30, 2019, 1 US dollar equaled 1.33955 Canadian dollars. Table only includes initiatives to which Canada has contributed. Numbers may not add due to rounding.
Source: IMF.

Additional details on IMF operations (including IMF surveillance, lending, capacity building, and institutional governance) are available on the IMF website at <https://www.imf.org>.

COMMUNIQUÉS OF THE INTERNATIONAL MONETARY AND FINANCIAL COMMITTEE OF THE BOARD OF GOVERNORS OF THE IMF (AS REQUIRED UNDER THE BRETTON WOODS ACT)

Communiqué of the Thirty-Eighth Meeting of the International Monetary and Financial Committee (IMFC)

October 13, 2019

Chaired by Mr. Lesetja Kganyago, Governor of the South African Reserve Bank

We extend our deepest sympathies to the people and Government of Indonesia on the recent tragic events. We thank them for hosting the 2018 Annual Meetings in Bali and for their warm hospitality.

Global outlook and policy priorities

1. The global expansion remains strong. Growth is projected to be steady in the near term and moderate thereafter. However, the recovery is increasingly uneven, and some of the previously identified risks have partially materialized. Overall, risks are increasingly skewed to the downside amid heightened trade tensions and ongoing geopolitical concerns, with tighter financial conditions particularly affecting many emerging market and developing countries. Policy uncertainty, historically high debt levels, rising financial vulnerabilities, and limited policy space could further undermine confidence and growth prospects.
2. With the window of opportunity narrowing, we will act promptly to advance policies and reforms to protect the expansion, mitigate risks, rebuild policy space, enhance resilience, and raise medium-term growth prospects for the benefit of all. Fiscal policy should rebuild buffers, where needed; be flexible and growth-friendly; avoid procyclicality; and raise the quality of infrastructure and workforce skills, while ensuring that public debt is on a sustainable path. Central banks, in line with their mandates and mindful of financial stability risks, should maintain monetary accommodation where inflation is below target, and withdraw it in a gradual, well-communicated, and data dependent manner where inflation is close to or above target.

3. Strong fundamentals, sound policies, and a resilient international monetary system are essential to the stability of exchange rates, contributing to strong and sustainable growth and investment. Flexible exchange rates, where feasible, can serve as a shock absorber. We recognize that excessive volatility or disorderly movements in exchange rates can have adverse implications for economic and financial stability. We will refrain from competitive devaluations and will not target our exchange rates for competitive purposes.
4. Advancing financial and structural reforms is critical to lifting potential growth and employment and strengthening resilience, while effectively assisting those bearing the cost of adjustment. We stress the importance of timely, full, and consistent implementation and finalization of the financial sector reform agenda as soon as possible, and the evaluation of the effects of those reforms. We will monitor and, as necessary, tackle financial vulnerabilities and emerging risks; and, through continued regulatory cooperation, avoid fragmentation. We will also continue to adapt regulation to structural changes and close data gaps. We will strive to address challenges from demographic shifts and enhance inclusion to widely share the gains from technological advancement and economic integration. We will work together to reduce excessive global imbalances in a way that supports sustainable global growth.
5. We will enhance our cooperation to tackle shared challenges. We recognize the need to continue to step up dialogue and actions to mitigate risks and enhance confidence in international trade, including on ways to improve the WTO to face current and future challenges. We acknowledge that free, fair, and mutually beneficial goods and services trade and investment are key engines for growth and job creation. We reaffirm the importance of implementing the conclusions of the G-20 Hamburg Summit on trade. We will continue to work for a globally fair and modern international tax system, and where appropriate, address competition and tax challenges, including from digitalization. We will strengthen collaboration to leverage financial technology to enhance efficiency and inclusion while addressing associated risks, and tackle sources and channels of money laundering and terrorism financing, proliferation financing, corruption, and other illicit finance.
6. We support efforts toward achieving the 2030 Sustainable Development Goals (SDGs). In light of rising debt vulnerabilities in low-income countries (LICs), we are working together to enhance debt transparency and sustainable financing practices by debtors and creditors, both public and private; and strengthen creditor coordination in debt restructuring situations, drawing on existing fora. We will continue to support countries' efforts to build resilience to, and deal with, the macroeconomic consequences of pandemics, cyber risks, climate change

and natural disasters, energy scarcity, conflicts, migration, and refugee and other humanitarian crises.

IMF operations

7. We welcome the Managing Director's Global Policy Agenda. In line with its mandate, the IMF will continue to support its members and collaborate with others to:
 - Promote a resilient international monetary and financial system. We welcome continued efforts to conduct a rigorous, even-handed, candid, and transparent assessment of external positions based on updated methodologies. We also welcome the IMF's advice to members on dealing with large and volatile capital flows and call for further efforts to strengthen the global financial safety net (GFSN), including by deepening collaboration with regional financing arrangements.
 - Facilitate multilateral solutions for global challenges. We call on the IMF to support efforts to mitigate risks and enhance confidence in trade, including through its trade-related macroeconomic analyses. We support the IMF's continued role in international tax issues and domestic resource mobilization, including through the Platform for Collaboration on Tax and by applying the experience with medium-term revenue strategies. We welcome the endorsement by the Executive Boards of the IMF and the World Bank of the Bali Fintech Agenda that brings together key considerations for policymakers and the international community. We ask the IMF to support efforts to build on the Agenda, including through further work on financial technologies including crypto assets. Within its mandate, the IMF will provide guidance on members' implementation of climate change mitigation and adaptation strategies.
 - Help members enhance resilience and raise growth prospects. We welcome the enhanced engagement on governance, including corruption, and the operationalization of the new governance framework; the development of a strategic framework for engagement on social spending; and work on corporate market power, the digital economy, infrastructure governance, demographic shifts, and gender and inequality issues. We support the IMF's continued assistance to countries affected by conflict and refugee crises, and look forward to proposals to help vulnerable countries build resilience to natural disasters.
 - Adapt policy tools to members' evolving needs. We look forward to the 2020 comprehensive surveillance review and reviews of program conditionality, the Financial Sector Assessment Program, the AML/CFT strategy, and the policy on multiple currency practices. We support further efforts to address the causes and consequences of the withdrawal of correspondent

banking relationships and help countries deal with them. We also look forward to further enhancing the effectiveness and accountability of the IMF's technical assistance and training in the context of the ongoing review of the capacity development strategy.

- Strengthen debt sustainability and transparency. We look forward to reviews of the debt sustainability framework for market access countries and the debt limits policy. We ask the IMF to continue to work with members to strengthen fiscal frameworks, improve debt management capacity, and implement the updated debt sustainability framework for LICs. We support the IMF-World Bank multi-pronged approach to work with borrowers and creditors to improve the recording, monitoring, and transparent reporting of public and private debt obligations, as well as efforts to strengthen creditor coordination in debt restructuring situations, drawing on existing fora.
- Support LICs, and fragile and small states. We welcome the review of LIC facilities and the ongoing work on small states. We endorse the Managing Director's Statement on the IMF and Fragile States and call for full and timely implementation of management's plan in response to the IEO's recent evaluation. We support further work and analysis to help countries achieve the SDGs.

IMF resources and governance

8. We reaffirm our commitment to a strong, quota-based, and adequately resourced IMF to preserve its role at the center of the GFSN. We are committed to concluding the 15th General Review of Quotas and agreeing on a new quota formula as a basis for a realignment of quota shares to result in increased shares for dynamic economies in line with their relative positions in the world economy and hence likely in the share of emerging market and developing countries as a whole, while protecting the voice and representation of the poorest members. We note the recent progress report to the Board of Governors and call on the Executive Board to work expeditiously toward the completion of the 15th General Review of Quotas in line with the above goals by the Spring Meetings of 2019 and no later than the Annual Meetings of 2019. We call for full implementation of the 2010 governance reforms.

9. We call on the IMF to maintain a high-quality staff and strengthen efforts to meet 2020 diversity benchmarks. We are looking forward to the timely conclusion of the comprehensive review of compensation and benefits. We support increasing gender diversity in the Executive Board.
10. Our next meeting will be held in Washington, D.C., on April 13, 2019.

Communiqué of the Thirty-Ninth Meeting of the International Monetary and Financial Committee (IMFC)

April 13, 2019

Chaired by Mr. Lesetja Kganyago, Governor of the South African Reserve Bank

We express our sympathy for the human loss and devastating impact of the recent natural disasters in Iran, Malawi, Mozambique, and Zimbabwe.

Global outlook and policy priorities

The global expansion continues, but at a slower pace than anticipated in October. Growth is projected to firm up in 2020, but risks remain tilted to the downside. These include trade tensions, policy uncertainty, geopolitical risks, and a sudden sharp tightening of financial conditions against a backdrop of limited policy space, historically high debt levels, and heightened financial vulnerabilities. Other longstanding challenges also persist.

To protect the expansion, we will continue to mitigate risks, enhance resilience, and, if necessary, act promptly to shore up growth for the benefit of all. Fiscal policy should rebuild buffers where needed, be flexible and growth-friendly, and strike the right chord between ensuring debt sustainability, supporting demand while avoiding procyclicality, and safeguarding social objectives. In line with central banks' mandates, monetary policy should ensure that inflation remains on track toward, or stabilizes around targets, and that inflation expectations remain anchored. Central bank decisions need to remain well communicated and data dependent. We will monitor and, as necessary, tackle financial vulnerabilities and emerging risks to financial stability, including with macroprudential tools.

Strong fundamentals, sound policies, and a resilient international monetary system are essential to the stability of exchange rates, contributing to strong and sustainable growth and investment. Flexible exchange rates, where feasible, can serve as a shock absorber. We recognize that excessive volatility or disorderly

movements in exchange rates can have adverse implications for economic and financial stability. We will refrain from competitive devaluations and will not target our exchange rates for competitive purposes.

Advancing financial and structural reforms is critical to boosting potential growth and employment, enhancing resilience, and promoting inclusion. To this end:

- We stress the importance of timely, full, and consistent implementation and finalization of the financial sector reform agenda as soon as possible, and the ongoing evaluation of the effects of these reforms. We will also address fragmentation through continued regulatory and supervisory cooperation, adapt regulation to structural changes, and close data gaps.
- We commit to strong governance, including by tackling corruption. We will implement policies that foster innovation and fair market competition. We will strive to address challenges from demographic shifts, ensure that gains from technological change and economic integration are widely shared, and effectively assist those bearing the cost of adjustment.

We will continue to take joint action to strengthen international cooperation and frameworks.

- We will work together to reduce excessive global imbalances through macroeconomic and structural policies that support sustainable global growth.
- Free, fair, and mutually beneficial goods and services trade and investment are key engines for growth and job creation. To this end, we recognize the need to resolve trade tensions and support the necessary reform of the World Trade Organization to improve its functioning.
- We will expedite work for a globally fair and modern international tax system and address harmful tax competition, artificial profit shifting and other tax challenges, such as those related to digitalization. We look forward to results as soon as possible. We will tackle sources and channels of money laundering and terrorism financing, proliferation financing, and other illicit finance. We will also address correspondent banking relationship withdrawal and its adverse consequences.
- We are working together to enhance debt transparency and sustainable financing practices by both debtors and creditors, public and private; and strengthen creditor coordination in debt restructuring situations, drawing on existing fora.

We recognize that joint action is also essential to confront broader global challenges. We will continue to support countries' and international efforts to build resilience to, and deal with, the macroeconomic consequences of pandemics, cyber risks, climate change and natural disasters, energy scarcity, conflicts, migration, and refugee and other humanitarian crises. We will also continue to collaborate to leverage financial technology while addressing related challenges, including from privacy and data security and fragmentation issues. We support efforts toward achieving the 2030 Sustainable Development Goals (SDGs).

IMF operations

We welcome the Managing Director's Global Policy Agenda Update. In line with its mandate, the IMF will continue to support its members and collaborate with others to:

- Help members enhance resilience and secure sustainable higher growth: We support the IMF's efforts to provide tailored policy advice and, when needed, financial support for balance of payments needs. We look forward to discussing the IMF's work on a more integrated policy framework that further considers the interactions between monetary, exchange rate, macroprudential, and capital flow management policies. We welcome the enhanced engagement on governance, including corruption, in line with the new governance framework; work on central bank governance; and continued work on infrastructure governance and structural reforms, including market competition issues.
- Strengthen debt sustainability and transparency: We support the continued implementation of the IMF-World Bank multi-pronged approach to work with borrowers and creditors to improve the recording, monitoring, and transparent reporting of public and private debt obligations. We ask the IMF to continue to work with members to strengthen fiscal frameworks, improve debt management capacity, and implement the updated debt sustainability framework for low-income countries. We look forward to reviews of the debt sustainability framework for market access countries and the IMF's debt limits policy.
- Promote policies to foster inclusion and opportunities: We look forward to the IMF proposing a strategy to more systematically engage on social spending issues. We welcome the macroeconomic analyses of gender and inequality issues. We appreciate further efforts to strengthen the effectiveness of engagement with fragile and conflict-affected states, and provide analysis and

advice for developing countries to achieve the SDGs. We call on the IMF to help members improve domestic resource mobilization, including through collaboration with other partners of the Platform for Collaboration on Tax and by applying the experience with medium-term revenue strategies and tailoring efforts to support domestic resource mobilization in countries with limited capacities. We welcome the IMF's continued support for the G20 Compact with Africa initiative to improve investment frameworks.

- Upgrade global cooperation: We support the IMF's efforts to mitigate risks and enhance confidence in trade through policy advice and trade-related macroeconomic analyses. We welcome continued efforts to conduct a rigorous, evenhanded, and multilaterally-consistent assessment of external positions and look forward to further analysis of the role of exchange rates in the external adjustment process. In collaboration with other institutions, we welcome the IMF's contributions to the global regulatory reform agenda; its continued role in international tax issues; and its work on measuring and addressing illicit financial flows. We call for further efforts to strengthen the global financial safety net (GFSN) and promote a resilient international monetary and financial system, including by reconsidering elements of the IMF's lending toolkit and deepening collaboration with regional financing arrangements.
- Facilitate global solutions to global challenges through macroeconomic analysis and policy advice: We welcome the IMF's work on the implications of fintech for cross-border flows and financial stability, inclusion, and integrity, consistent with the Bali Fintech Agenda; on supporting countries' efforts to enhance resilience to cyber risks through enhanced financial supervision and promotion of good practices; and on addressing the causes and consequences of the withdrawal of correspondent banking relationships and helping countries deal with them. We look forward to further work on challenges faced by countries with demographic shifts. In line with its mandate, the IMF will continue to provide guidance on members' implementation of climate change mitigation and adaptation strategies. We support the IMF's continued assistance for resilience-building in countries vulnerable to natural disasters, especially small states and low-income countries, in collaboration with other institutions. We also support the IMF's ongoing assistance to countries affected by conflict and refugee crises.

- Adopt policy tools to lead and support change: We welcome the IMF's efforts to enhance its surveillance through the 2020 Comprehensive Surveillance Review; the reviews of the Financial Sector Assessment Program and the policy on multiple currency practices; and work on the Data Standards Initiatives and data provision to the IMF for surveillance purposes. We support improving lending policies, including through the reviews of program design and conditionality and concessional facilities; and integrating capacity development with surveillance and lending.

IMF resources and governance

We reaffirm our commitment to a strong, quota-based, and adequately resourced IMF to preserve its role at the center of the GFSN. We note the recent report to the Board of Governors on progress on the 15th General Review of

Quotas. We request the Executive Board to continue its work on IMF resources and governance reform as a matter of the highest priority, and to report on its outcome when it concludes its work on the 15th General Review of Quotas and by no later than the Annual Meetings of 2019. We call for full implementation of the 2010 governance reforms.

To continue providing high value-added support to its members, we call on the IMF to maintain a high-quality staff and strengthen efforts to meet the 2020 diversity benchmarks; and look forward to the IMF's initiatives to modernize its operations, including through the timely conclusion of the comprehensive review of compensation and benefits. We support increasing gender diversity in the Executive Board.

Our next meeting will be held in Washington, D.C., on October 19, 2019.

SECTION D: CANADA'S ENGAGEMENTS IN EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT OPERATIONS



REPORTING REQUIREMENTS

The EBRD Act came into force in 1991 and provides the legal framework for Canada’s membership in the EBRD. As a founding member and the eighth-largest shareholder in the Bank, Canada actively contributes to the development of EBRD policies while providing oversight of the Bank’s financial activities. This is primarily achieved through Canada’s seats on the Board of Governors and Board of Directors.

As laid out in section 7 of the EBRD Act, the Minister of Finance is required to provide to Parliament an annual report of operations containing a general summary of all actions taken under the Act, including their sustainable development and human rights aspects. This section meets these reporting requirements.

For more information, refer to the text of the EBRD Act on Justice Canada’s website: <https://laws-lois.justice.gc.ca/eng/acts/E-13.5/index.html>.

GOVERNANCE AND REPRESENTATION

Canada’s capital subscriptions and shareholding

As of December 31, 2018, the EBRD had 69 shareholders: 67 countries, as well as the European Union and the European Investment Bank. India joined the Bank in July 2018. The EBRD is active in 38 economies in Central and Eastern Europe, Central Asia, and the southern and eastern Mediterranean region.

The EBRD’s share capital is provided by member countries that hold proportional voting rights. Decision-making power is primarily exercised by member countries through their representatives on the Board of Governors and the Board of Directors.

Canada is the eighth-largest shareholder of the EBRD, with its shares representing 3.4% or €1.02 billion of the institution’s capital. Of Canada’s total share, €213 million is paid-in capital and the remaining is callable capital.

Table 1: Canada’s capital subscriptions to the EBRD, 2018, as of December 31, 2018

(€ millions)

Capital subscriptions and contributions	1,020.49
Amount paid in	212.85
Amount not paid in but contingent on future capital requirements	807.64
Subscription or contributions share (%)	3.43
Voting power (%)	3.43

Note: Figures are from the 2018 financial report for the EBRD.

Information on the EBRD’s 2018 fiscal year (January 1, 2018 to December 31, 2018) is provided in its [Annual Review](#) and [Financial Report](#). Further information on the EBRD’s performance can be found in the [Sustainability Report](#) and [Transition Report](#). The Bank releases considerable information on its various activities. Bank publications include information guides (such as the Guide to EBRD Financing), evaluation reports, special reports, country strategies, and assorted fact sheets. Information can be obtained on the Bank’s website at www.ebrd.com.

Requests for information can be addressed to:

Publications Desk
European Bank for Reconstruction and Development
One Exchange Square
London, EC2A 2JN
United Kingdom

Canada at the Board of Governors

The highest authority in the EBRD is the Board of Governors. The Board meets annually and approves the EBRD’s Annual Review, net income allocation and financial statements, the independent auditor’s report, the election of the chair and vice-chair for the next Annual Meeting, as well as other items requiring governors’ approval. Governors provide a written statement at the EBRD annual meetings. [Canada’s statement](#) outlines its priorities at the Bank.

A Governor and an Alternate Governor represent each of the 69 shareholders. The Honourable Bill Morneau, Minister of Finance, is the Canadian Governor. Ian Shugart, Deputy Minister of Foreign Affairs, was the Alternate Governor during 2018-2019. Marta Morgan is Canada’s current Alternate Governor, effective May 2019.

To learn more about the governance of the Board of Governors, please visit the EBRD's Board of Governors webpage at <https://www.ebrd.com/shareholders-and-board-of-governors.html>.

Canada at the Executive Board

The Board of Directors is responsible for the general operations of the Bank. It comprises 23 members, with each representing either one member or a constituency of member countries. The Board helps to set the strategic and financial course for the Bank, in consultation with the Bank's management. Since November 2016, Canada has been represented on the EBRD Board of Directors by Douglas Nevison. The director for Canada also represents Morocco, Jordan and Tunisia at the EBRD Board of Directors.

To learn more about the governance of the Executive Board, please visit the EBRD's [website](#). The office of the Director for Canada, Morocco, Jordan and Tunisia can be reached by email at canadaoffice@ebrd.com.

Canada at board committees

The Board of Directors has established four committees to oversee Bank activities: the Board Steering Group, the Audit Committee, the Budget and Administrative Affairs Committee, and the Financial and Operations Policies Committee. This division of labour is consistent with good corporate governance practices and provides an appropriate system of checks, balances and incentives. In addition, the structure ensures a more effective discussion by the Board, once initiatives are ready for approval.

The Board Steering Group is responsible for the coordination of the committees' work programs to avoid overlap and ensure timely completion. In addition to some administrative duties, the Group's chair is the main liaison between the Board of Directors and management. In 2018, the Group was chaired by the Director for the European Union.

The Audit Committee's primary objective is to ensure that the financial information reported by the Bank is complete, accurate, relevant and timely. The Committee oversees the integrity of the Bank's financial statements, and the compliance of its accounting and reporting policies with the requirements set out in the International Financial

Reporting System. It also reviews the EBRD's system of internal controls and its implementation, as well as the functions of the internal audit, evaluation, compliance and risk management teams. In 2018, the Committee was chaired by the Director for Canada, Morocco, Jordan and Tunisia.

The Budget and Administrative Affairs Committee is responsible for ensuring that the Bank's budgetary, staff and administrative resources are aligned with its strategic priorities. To this end, the Committee reviews the medium-term resource framework, annual budgets and the business plan. It also oversees the Bank's human resources policies, including ethics and the Code of Conduct. In 2018, the Committee was chaired by the Director for Bulgaria, Albania and Poland.

The Financial and Operations Policies Committee oversees the Bank's financial and operational policies, including the annual borrowing plan prepared by the Treasury Department. The Committee is responsible for the transparency and accountability of the Bank's operations, as laid out in the Public Information Policy and the Project Complaint Mechanism. Since 2007, the Committee has also been charged with overseeing the net income allocation process. As well, it is responsible for the Bank's Environmental and Social Policy and EBRD sector strategies. In 2018, the Committee was chaired by the Director for Belgium, Slovenia and Luxembourg.

Benefits of EBRD membership

Canada's membership in the EBRD, and its active participation in the discussion of policy and operational issues, is an important means to help shape economic and social development in the EBRD's countries of operations. Canada strongly supports the overriding objective of developing a strong private sector in its countries of operation by mobilizing financing for projects with a high transition impact and by providing advice and technical assistance to businesses and governments. The Bank provides Canada with a vehicle to contribute to development in transition countries that are not currently part of our bilateral development assistance programs. Furthermore, Canadians are well represented on EBRD staff. At the end of 2018, there were 36 Canadians on the staff of the EBRD, representing 1.05% of total positions.

Finally, Canada's engagement helps to raise awareness among Canadian companies of opportunities presented by the EBRD. Canadian companies can seek financing for projects undertaken in the Bank's countries of operations. The Bank often relies on the procurement of goods and services from the private sector to implement transition projects. Canadian consultants were awarded 30 contracts valued at €0.9 million in 2018. Canadian financial institutions also played an active role in managing EBRD global bond issuances.



Government
of Canada

Gouvernement
du Canada

Canada

