



**VOLUME 2**

**REPORT TO PARLIAMENT ON  
THE GOVERNMENT OF CANADA'S  
INTERNATIONAL ASSISTANCE**

**Engagement with international  
financial institutions**

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**2020-2021**

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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## Introduction

Volume 2 of the Report to Parliament on the Government of Canada's International Assistance 2020-2021 provides information on Canada's engagement with three international financial institutions (IFIs)<sup>1</sup>: the World Bank Group ([Section A](#)), the International Monetary Fund ([Section B](#)) and the European Bank for Reconstruction and Development ([Section C](#)). Such information responds to various reporting requirements under the *Bretton Woods and Related Agreements Act* and the *European Bank for Reconstruction and Development Agreement (EBRD) Act*. This year's report introduces the work that these IFIs are undertaking to respond to the COVID-19 global pandemic.

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, including the International Monetary Fund and the World Bank Group, also support developing countries with policy advice, research and analysis, and capacity-development activities.

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.

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<sup>1</sup> This report only covers international assistance and ODA disbursed by the Government of Canada. The [Statistical Report on International Assistance](#) also includes international assistance and ODA from Canadian provinces, territories and municipalities. Please refer to the Statistical Report for detailed definitions of international assistance and ODA.



## Section A: Canada's engagement in World Bank Group operations

The World Bank Group's (WBG) twin goals are to eliminate extreme poverty by 2030 and boost shared prosperity through inclusive, sustainable economic growth and development. Canada is a founding member of the WBG, which has 188 member countries, and holds a permanent seat on the 25-member Board of Executive Directors. The Canadian Executive Director represents a constituency on the Board that includes Ireland and 11 Commonwealth Caribbean countries. Canada's largest annual contribution to the World Bank is to the International Development Association (IDA), the Bank's concessional fund, which provides low interest loans or grants to the poorest member countries. Canada is the sixth largest donor to this fund since its creation in 1960 and has contributed US\$13.5 billion to IDA since its inception.

Since the start of the pandemic, the WBG supported countries to address the health emergency, strengthen health systems, protect the poor and vulnerable, support businesses, create jobs and jumpstart a green, resilient and inclusive recovery. Between April 2020 and June 2021, the WBG committed over US\$157 billion to fight the health, economic and social impacts of the pandemic, the fastest and largest crisis response in its history. The financing is helping more than 100 countries strengthen pandemic preparedness, protect the poor and jobs, and support a climate-friendly recovery. The WBG is also supporting over 50 low- and middle-income countries, more than half of which are in Africa, with the purchase and deployment of COVID-19 vaccines, and is making available US\$20 billion in financing for this purpose until the end of 2022.

### Reporting requirements

The *Bretton Woods and Related Agreements 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, the Multilateral Investment Guarantee Agency and the International Centre for Settlement of Investment Disputes). 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 and Related Agreements 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 A and B meet these reporting requirements.

For more information, refer to the text of the *Bretton Woods and Related Agreements Act* on Justice Canada's website: [Bretton Woods and Related Agreements Act](#).

## 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\$9.2 billion in capital subscriptions to the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), and Multilateral Investment Guarantee Agency (MIGA), and US\$13.5 billion in contributions to the International Development Association (IDA) (see Table 1).

Canada's current voting power ranges from 2.5% to 2.85% 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, June 2021  
(US\$ millions, unless otherwise indicated)**

Description	IBRD	IDA	IFC	MIGA
Capital subscriptions and contributions	8,499.3	13,483.1 <sup>2</sup>	620.2 <sup>3</sup>	56.5
Amount paid in	619.5	13,483.05	81.3 <sup>3</sup>	10.7
Amount not paid in but contingent on future capital requirements	7,879.8	-	-	45.8
Subscription or contributions share (%)	2.85	4.61	2.99	2.95
Voting power (%)	2.72	2.66	2.85	2.50

Information on the World Bank Group's 2020-2021 fiscal year (July 1, 2020 to June 30, 2021) is provided in the [financial statements](#) of each entity. Further information on the WBG'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 during the reporting period was current Deputy Prime Minister and Minister of Finance Chrystia Freeland, and former Minister of Finance Bill Morneau. The position of Alternate WBG Governor was held by Leslie MacLean, Canada's Deputy Minister of International Development 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

<sup>2</sup> Represents Canada's cumulative contributions to IDA.

<sup>3</sup> While Canada's cumulative payments to the IFC amount to US\$81.3 million, Canada holds US\$620.2 million of shareholder capital as a result of the conversion of members retained earnings into paid-in capital.



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 that is also composed 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. Canada's Executive Director to the WBG during the reporting period was Louise Levonian.

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 [World Bank website](#).

To learn more about the governance of the Executive Board, please visit the World Bank Group's [Board 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 Meetings (held in the Fall). 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 2020-2021, Canada's Governor tabled two Development Committee statements on behalf of Canada's constituency, on October 16, 2020 and on April 9, 2021, during virtually held meetings. Among other things, the Governor highlighted some of Canada's priorities at the WBG, including an equitable, global recovery from the COVID-19 pandemic. Statements by all Governors can be found on the [Development Committee webpage](#).



## Canada's financial contributions to the World Bank Group in 2020-2021

Canada is an important provider of funding to the World Bank Group. In 2020-2021, Canada made the following contributions, which are reported as Canadian official development assistance:

### IDA contribution: \$423.24 million

IDA is one of the largest sources of assistance for the world's 74 poorest countries, 39 of which are in Africa. Strongly aligned with Canada's international assistance priorities, IDA-financed operations focus on 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, 2020 to June 30, 2021, Canada provided \$423.24 million, as agreed under the IDA19 replenishment. This corresponds to the first grant installment of Canada's IDA19 contribution. 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, while ensuring countries do not take on unsustainable levels of debt.

### Multilateral debt relief through the World Bank: \$34.1 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, United Kingdom, 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, 2020 to June 30, 2021 reporting period, Canada provided \$34.1 million to the World Bank Group for the MDRI.

### World Bank Group trust funds: \$490.56 million

World Bank Group trust funds are an effective instrument for channeling 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 the IBRD/IDA 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 onset of the COVID-19 pandemic, Global Affairs Canada also looked to the WBG to help deliver on Canada's COVID-19 response through trust fund contributions. These helped to address direct and secondary impacts of the pandemic on developing countries in areas such as health, disease surveillance and food security.

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 2020-2021.

**Table 2: Global Affairs Canada disbursements to WBG trust funds in 2020-2021**

Trust funds	Disbursements between July 1, 2020 and June 30, 2021 (\$ millions)
<b>Sources:</b> Global Affairs Canada, Chief Financial Officer – Statistics	
<b>Africa</b>	
Strengthening Regional Disease Surveillance in West Africa	7.00
Rural Social Protection: Productive Safety Net Program 2016-2021 (Ethiopia)	8.00
Strengthening National Sexual and Reproductive Health Services in Mozambique	15.59
Resilient Landscapes and Livelihoods for Women in Ethiopia	2.40
Technical Assistance for Ethiopia's Reform Agenda	3.00
Sudan Family Support Program	10.00
Supporting Renewable Energy in Africa - Africa Renewable Energy Initiative (AREI)	1.50
<b>Americas</b>	
Support to girl access to secondary education in Haiti single-donor Trust Fund (Improving Girl's Access to Secondary Education in Haiti)	7.00
Technical Assistance on Migration for the Government of Ecuador	2.60



**Table 2: Global Affairs Canada disbursements to WBG trust funds in 2020-2021**

Trust funds	Disbursements between July 1, 2020 and June 30, 2021 (\$ millions)
Caribbean Resilience Facility Trust Fund (Canada-Caribbean Resilience Facility)	5.00
<b>Asia</b>	
Bangladesh Health Sector Support Project Multi-Donor Trust Fund (Strengthening Health Systems and Services in Bangladesh)	13.5
Afghanistan Reconstruction Trust Fund (ARTF)	45.00
Gender Responsive Planning & Budgeting in Indonesia	4.00
<b>Middle East and North Africa</b>	
Mashreq Gender Facility: Advancing the Child Care Agenda in Lebanon, Jordan and Iraq	4.0
Support to Iraq Reform, Reconstruction and Recovery Fund	10.83
Support for Lebanon's Recovery	7.00
<b>Global initiatives and strategic policy</b>	
Multi-Donor Trust Fund for the Global Financing Facility (GFF) in support of Every Women Every Child	50.0
Global Fund for Disaster Reduction and Recovery - Earth Observation technologies	2.00
Partnership for Market Implementation	5.00
Energy Transition Program	119.00
Renewable Energy in Small Island Developing States Program	20.00
Forests and Landscapes Program	35.00
Canada-International Finance Corporation Blended Climate Finance Program	56.50
Enhancing Extractive Sector Benefit Sharing	2.00
Global Evaluation Initiative	0.24
GIRL/Gender Innovation and Regional Learning	3.71
<b>Total</b>	490.56
<i>Note: total may not add due to rounding.</i>	



## 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 Financing Facility](#)
- [Canada Clean Energy and Forest Facility](#)
- [Afghanistan Reconstruction Trust Fund](#)

In 2020-2021, Canada contributed \$50 million to the [Global Financing Facility \(GFF\)](#). As a founding donor to the GFF, since 2015, Canada has committed a total of \$540 million to support 36 GFF countries to prioritize and scale up investments to improve reproductive, maternal, newborn, child and adolescent health and nutrition through targeted strengthening of primary health care systems. Prior to the pandemic, countries where the GFF has been engaged long enough to effect change had seen positive trends in some indicators, such as reducing child deaths and adolescent pregnancy, improving child growth and nutrition, and sexual and reproductive health. Nearly two-thirds of countries were instituting reforms to improve efficiency in health spending and directing more resources to frontline health. As the COVID pandemic spread, the GFF adapted its support to help countries respond to immediate needs, safeguard essential health services and reclaim the gains made through previous years of leadership and investments. This included providing tailored technical assistance; monitoring and reporting on gaps in essential health services to better inform decisions; adapting existing grants; and providing additional financial support through a newly established mechanism, COVID-19 Essential Health Services grants. To date, the GFF has approved US\$300 million in COVID-19 essential health services grants to support 18 countries.

In 2019-2020, Canada contributed \$236 million to the [Canada Clean Energy and Forest Climate Facility \(CCEFF\)](#), which targets financing to key sectors where it is needed most in order to stimulate investment in inclusive, green growth. Established in 2020, the Facility will support transformational climate actions through World Bank projects, with a primary focus on Asia's clean energy transition, renewable energy in Small Island Developing States (SIDS), and forestry and sustainable land use. Financing from the Facility will catalyze and scale up private investment across multiple sectors; accelerate energy efficiency and renewable energy market development; promote gender equality and the mainstreaming of gender considerations in clean energy investments; and foster sustainable landscapes, climate-smart land use, and green supply chains, as well as new financial instruments that promote private sector investment and public-private partnerships.

In 2020-2021, Canada contributed \$45 million to the [Afghanistan Reconstruction Trust Fund \(ARTF\)](#). Established in 2002 to provide a coordinated financing mechanism for the Government of Afghanistan's budget, the ARTF has been one of Canada's main funding vehicles to deliver development assistance in Afghanistan. Canada's support since 2002 helped achieve results in a number of areas such as reduced maternal mortality, significantly improved health indicators, and an increase in the number of students enrolled in basic and secondary education, in particular the proportion of girls. In addition, in 2020 more than US\$1 billion in new and recommitted International Development Assistance and ARTF funds were made available for the COVID-19 response. At the November 2020 Afghanistan Pledging Conference, Canada announced funding of \$135 million over three years (2020-21 to 2023-24). Since 2002 and until the Taliban takeover on August 15, 2021, the ARTF was the largest single source of financing for Afghanistan's development, with US\$12.43 billion contributed by 34 donors to support the Government of Afghanistan's civilian operations and



development objectives. Canada has contributed US\$805 million to date, or just under 7% of the total budget, and is the fifth largest donor overall following the United States, United Kingdom, the European Union and Germany.

## 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 the Offices of Liaison with International Financial Institutions (OLIFIs). The Washington, D.C., OLIFI helps businesses access WBG procurement opportunities. Due to data availabilities, this section reflects contract awards for World Bank operational procurement only, and does not include sub-contractor information. It also does not include information for contracts awarded to subsidiaries of Canadian companies which are headquartered outside of Canada.

**Table 3: Disbursements by IBRD and IDA borrowers: Goods and services from Canada (US\$ millions)**

World Bank Fiscal Year (July 1-June 30)	Amount
<b>Note:</b> Based on World Bank Group figures as of July 26, 2021.	
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
2019-2020	15.6
2020-2021	35.7



**Table 4: Disbursements by IBRD and IDA borrowers: Suppliers of goods and services from Canada, 2020-2021 (US\$)**

Supplier	Sector	Category	Amount
<b>Note:</b> Based on World Bank Group figures as of July 26, 2021. The World Bank fiscal year runs from July 1, 2020 to June 30, 2021.			
Beauchemin International	Education	Goods	10,628,250
Groupement WSP / CPCS	Energy & Extractives	Consultant Services	4,794,526
WSP Canada Inc	Energy & Extractives	Consultant Services	4,639,173
Survalent Technology Corporation	Energy & Extractives	Goods	2,656,091
Paterson, Grant & Watson Limited	Energy & Extractives	Consultant Services	1,850,350
Joint Venture – International Secretariat for Water, Taraqqiyot Centre and Yuksalish Nationwide Movement	Social Sustainability and Inclusion	Consultant Services	1,549,356
CCM Consulting Group Worldwide	Energy & Extractives	Consultant Services	1,187,225
Société de Coopération pour le Développement International (SOCODEVI)	Agriculture and Food	Consultant Services	569,212
UPA Di	Agriculture and Food	Consultant Services	569,212
Groupe Geoimage Solutions Inc.	Finance, Competitiveness and Innovation	Consultant Services	423,038
Tetra Tech	Energy & Extractives	Consultant Services	394,950
Cowater International Inc.	Urban, Resilience and Land	Consultant Services	387,956
DNA Genotek Inc.	Health, Nutrition & Population	Goods	363,000
Joint Venture – MEK Earth & Environmental Inc. Canada with Witek Company Limited (Tanzania) and Beyond Nature Limited	Environment, Natural Resources & the Blue Economy	Consultant Services	346,978
GRPT Cidebumec	Energy & Extractives	Consultant Services	329,900
Trevor G. Carter	Energy & Extractives	Consultant Services	300,633
Issagha Diagana	Urban, Resilience and Land	Consultant Services	266,696



**Table 4: Disbursements by IBRD and IDA borrowers: Suppliers of goods and services from Canada, 2020-2021 (US\$)**

Supplier	Sector	Category	Amount
Paterson, Grant & Watson Limited	Energy & Extractives	Consultant Services	256,394
Health Standards Organization (HSO) with Accreditation Canada (AC)	Health, Nutrition & Population	Consultant Services	254,392
Société de Développement International	Urban, Resilience and Land	Consultant Services	246,441
Manitoba Hydro International	Energy & Extractives	Consultant Services	236,351
Niagara College of Applied Arts and Technology and Brock University	Social Protection & Jobs	Consultant Services	228,220
Gowlings LLP	Finance, Competitiveness and Innovation	Consultant Services	223,120
Philippe Jonnaert	Education	Consultant Services	195,932
Abdirizak Omar Godane	Finance, Competitiveness and Innovation	Consultant Services	180,000
Alison Redford	Energy & Extractives	Consultant Services	180,000
CPCS Transcom Limited	Transport	Consultant Services	179,345
Freebalance Inc.	Governance	Consultant Services	168,976
Peter Rae	Energy & Extractives	Consultant Services	157,028
PA Conseils International	Education	Consultant Services	148,521
Jean Cinq Mars	Energy & Extractives	Consultant Services	116,262
Carmen Malena	Social Sustainability and Inclusion	Consultant Services	113,071
Professeure Annie Savard	Education	Consultant Services	110,314
Damien Nicolas Echevin	Poverty and Equity	Consultant Services	108,325
Olugbolahan Mark-George	Finance, Competitiveness and Innovation	Consultant Services	96,187
Hassan Darwish Mohamed	Governance	Consultant Services	90,480
Université du Québec à Montréal	Education	Consultant Services	84,795



**Table 4: Disbursements by IBRD and IDA borrowers: Suppliers of goods and services from Canada, 2020-2021 (US\$)**

Supplier	Sector	Category	Amount
Kent Jingfors	Environment, Natural Resources & the Blue Economy	Consultant Services	83,600
Omar Ibrahim H. Hussein	Governance	Consultant Services	76,500
Marcel Ferland	Social Protection & Jobs	Consultant Services	74,345
C2D Services Inc.	Education	Consultant Services	72,377
Chitra Sewsagur	Governance	Consultant Services	67,594
Khadijah Suleman	Urban, Resilience and Land	Consultant Services	60,000
Michael Cohen	Social Protection & Jobs	Consultant Services	60,000
Zongo Boukary	Finance, Competitiveness and Innovation	Consultant Services	57,174
Elinor Bajraktari	Education	Consultant Services	47,256
Eric Di Domenico	Poverty and Equity	Consultant Services	44,250
Trina Arsenault	Education	Consultant Services	42,981
Bernard Nyaburerwa	Urban, Resilience and Land	Consultant Services	42,845
Kholmatov Matin	Water	Consultant Services	40,925
Paul Banerjee	Governance	Consultant Services	37,111
Venkata Subbara Nukala	Water	Consultant Services	36,000
Harold Coulombe	Poverty and Equity	Consultant Services	35,750
John McNulty	Finance, Competitiveness and Innovation	Consultant Services	34,913
Clearpath Robotics Tm	Agriculture and Food	Goods	33,335
Anjum Israr	Governance	Consultant Services	32,625
Viamo Inc.	Governance	Consultant Services	31,530
Canadian Institute for Energy Training	Energy & Extractives	Non-consulting Services	22,875
Michael J.Wills	Agriculture and Food	Consultant Services	21,980
Robert Lancop	Finance, Competitiveness and Innovation	Consultant Services	14,000
Scarie Nivyintizo	Energy & Extractives	Consultant Services	10,450
Paul Hewitt	Energy & Extractives	Consultant Services	9,500



**Table 4: Disbursements by IBRD and IDA borrowers: Suppliers of goods and services from Canada, 2020-2021 (US\$)**

Supplier	Sector	Category	Amount
Ali Artaman	Health, Nutrition & Population	Consultant Services	3,368
Buddy Boss	Social Sustainability and Inclusion	Goods	2,376
Uncanny Owl	Social Sustainability and Inclusion	Goods	399

## Canadian Financial Institutions and the World Bank Group

Canadian financial institutions are also actively engaged with the World Bank Group as lead arrangers and financiers of bond issuances – connecting capital markets with the global development agenda. Below are two recent transactions that illustrate where Canadian financial institutions have played a major role.

- In April 2020, the World Bank issued a record-setting US\$8 billion bond, the largest ever US dollar denominated bond issued by a multilateral development bank. This transaction had **BMO Capital Markets** and **TD Securities** as two of the joint lead managers. The proceeds of the issuance were used to fund the World Bank's unprecedented response to the COVID-19 pandemic.
- More recently, in January 2021, the World Bank issued a C\$1.5 billion Sustainable Development Bond, which also helped to raise investor awareness of the World Bank's work on issues like health and gender equality. This issuance was jointly led by **BMO Capital Markets**, **National Bank Financial Markets**, **Scotiabank** and **TD Securities**.





## Communiqués 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 2020: Development Committee Communiqué

October 16, 2020

1. The Development Committee met virtually today, October 16, 2020.
2. The COVID-19 pandemic continues to devastate countries, overwhelming health systems, disrupting productivity, threatening food security, multiplying job losses, and reducing incomes, particularly for the most vulnerable. We commend and support the frontline workers who are fighting the pandemic and keeping economic activity and critical services open. The global crisis requires a comprehensive, robust global response from the development community. We therefore call on the World Bank Group (WBG) and the International Monetary Fund (IMF) to continue working with member countries, the public and private sectors, local and bilateral development partners, and international organizations, including the UN. The WBG should further the response while keeping a firm focus on the twin goals of ending extreme poverty and fostering shared prosperity in a sustainable manner, as well as on the IDA19 and capital commitments, while supporting progress toward the SDGs.
3. The pandemic has resulted in the largest global economic contraction of the last eight decades: it is impacting developing, emerging and developed economies; increasing the global poverty rate; exacerbating inequalities; and damaging long-term economic growth prospects. The associated lockdowns, restrictions and continued uncertainty have caused investments, trade, and remittance flows to plummet; eroded jobs and human capital; kept children out of school; and pressured food and medical supply chains. The humanitarian crisis can further exacerbate fragility, conflict, and violence as well as intensify risks, including in small island states. The economic crisis is threatening the lives and livelihoods of vulnerable populations, including women-led households, youth and the elderly, refugees and displaced people. It is also widening gender gaps and jeopardizing hard-won development gains and prospects for girls and children overall.
4. We commend the WBG for the speed and scale of its COVID-19 response across countries. The WBG has been at the forefront of multilateral efforts centering on relief, restructuring, and a resilient recovery. We welcome the focus on health, social, and economic responses, as well as policies, institutions, and investments that will be critical to resilient, inclusive, and sustainable recovery.
5. The WBG is supporting countries' efforts to strengthen health systems and should continue to do so. We stress the importance of an effective COVID-19 vaccine and welcome the US\$12 billion in financing recently approved for IDA and IBRD countries to support vaccine purchase and deployment. We encourage the WBG to assist with affordable and equitable access to tests, treatments, and vaccines for developing countries. As the COVID-19 crisis continues to present wide-ranging health, economic, and social challenges over a prolonged period, we encourage intensified action to build robust health systems with universal coverage, thus increasing preparedness and resilience against future pandemics. In this context, digital technologies can secure vital medical consultations, maintain educational services, and allow businesses to survive. We thus welcome WBG operations that are expanding digital connectivity while safeguarding security and data privacy, broadening the reach of digital financial services and supporting digital transformation. These efforts help firms adapt to the crisis, be more competitive, maintain employment, and continue the delivery of critical services, including in education, health, social protection, and access to finance.



6. In the restructuring and recovery stages of the COVID-19 response, the WBG and IMF will need to help countries rebuild better, focusing on promoting the building blocks for an inclusive and sustainable recovery, ensuring affordable energy access and energy security, and addressing the challenges to economic and environmental vulnerabilities, including climate change. We look forward to the upcoming Climate Change Action Plan. To accelerate a resilient recovery centered on jobs and economic transformation, we ask the WBG to provide the knowledge, policy advice, and financial support to help countries strengthen social safety nets and facilitate the movement of capital and labor toward sectors that will be productive and sustainable in the post-pandemic context, while also providing the innovation needed to open up trade finance for SMEs and confront the challenges of informality. We urge the WBG to support the mobilization and crowding in of private capital and finance, with innovative products from IFC and MIGA, maintaining and building on the IFC 3.0 strategy to create markets and promote investments and quality infrastructure for a broad-based recovery and long-term development. Moreover, we stress the importance of increasing domestic resource mobilization in a manner that promotes fairness, equity, and inclusive growth, including by phasing out fuel subsidies and other distortive subsidies and taxes where feasible. We also note the importance of an immediate response in public health, food security, and education; and we call on all countries to support the availability of medical and food supplies that developing countries depend on to avoid the risk of a wider health crisis, famine and hunger. We strongly welcome the work underway to address the risks to gender equality and impacts on biodiversity that are exacerbated by COVID-19. We underscore that the WBG plays a critical role in key global challenges, and it is only by rebuilding stronger and better that the twin goals and SDGs can be achieved.

7. We commend the WBG for its exceptional delivery in the final quarter of fiscal year 2020, with US\$45 billion in commitments consisting of US\$32 billion from IBRD/IDA, US\$11 billion from IFC, and US\$2 billion from MIGA, including via their fast-track facilities, for operations in more than 100 countries. We welcome the second phase of IFC's response, which will include the restructuring and recapitalizing of viable companies and financial institutions as well as support to health care value chains in emerging and developing economies. We also welcome the planned scaling up to US\$35 billion of IDA19 resources in fiscal year 2021 to help countries address their long-term development needs. The WBG should continue its efforts to deliver a bold and decisive response of up to US\$160 billion by June 2021. Considering the severity and likely long-term effects of the crisis, we encourage discussions on the WBG financial capacity beyond fiscal year 2021, to ensure that the WBG remains adequately capitalized to fulfill its mandate. In addition, we commend the IMF for its rapid and effective crisis response, which has provided some US\$100 billion in assistance to over 80 countries during the pandemic, primarily through emergency financing facilities. We call on the IMF to continue to deploy all available tools and resources to help members achieve a durable exit from the crisis while building more resilient and inclusive economies.

8. We support the extension of the Debt Service Suspension Initiative (DSSI) by six months and to examine, by the time of the 2021 WBG and IMF Spring Meetings, if the economic and financial situation requires to extend further the DSSI by another six months, with targeted complements to the April 2020 DSSI Term Sheet. All official bilateral creditors should implement this initiative fully and in a transparent manner. We strongly encourage private creditors to participate on comparable terms when requested by eligible countries. Thanks to the efforts of official bilateral creditors, the DSSI is creating much needed fiscal space and supporting the financing programs of the WBG and IMF for the poorest countries. While protecting their current ratings and low cost of funding, we encourage MDBs to go further in their collective efforts in supporting the DSSI, including through providing net positive flows to DSSI-eligible countries during the suspension period, including the extension period. We encourage the WBG to explore additional proposals for COVID-19 emergency financing for IDA countries in its discussions with IDA deputies. We ask the WBG and IMF to continue supporting DSSI implementation, including by providing further details on the net new



resources they are providing to each eligible country. We ask the WBG and the IMF to continue their work to strengthen quality and consistency of debt data and improve debt disclosure. Amid high public debt levels, shrinking economies, and rising fiscal pressures, we recognize that debt treatments beyond the DSSI may be required on a case-by-case basis. In this context, we welcome the G20's agreement in principle on a "Common Framework for Debt Treatments beyond the DSSI", which is also agreed by the Paris Club. We look forward to the endorsement of the Common Framework by members, subject to their domestic approval procedures.

9. We encourage the WBG and IMF to continue to review the debt challenges of low-income countries and propose actions to address their fiscal and debt stress on a case-by-case basis. We also continue to encourage the WBG and IMF to review the debt challenges of middle-income countries and to explore customized solutions to their fiscal and debt stress on a case-by-case basis, including by providing additional resources in these challenging times, in line with the capital package commitments.

10. We welcome the 2020 Shareholding Review Report to Governors and thank Board members for their progress to date. We look forward to the completion of the review based on the guidance provided at this meeting. We also thank the Board for their work on the ongoing review of IDA voting rights and look forward to its completion by the next Annual Meetings in 2021.

11. We thank Mr. Ken-Ofori-Atta, Minister of Finance of Ghana, for his guidance and leadership as Chair of the Committee during the past two years, and Ms. Yvonne Tsikata for her invaluable service to the Development Committee over the past four years. We welcome Ms. Mia Amor Mottley, Prime Minister and Minister of Finance of Barbados, and Ms. 3 Azucena Arbeleche, Minister of Economy and Finance of Uruguay, who have been selected as sequential Chairs for the periods of November 2020 to October 2021, and November 2021 to October 2022, respectively. We also welcome Ms. Diarietou Gaye as Executive Secretary to the Development Committee.

12. The next meeting of the Development Committee is scheduled for April 10, 2021, in Washington, DC.

### **World Bank-IMF Spring Meetings 2020: Development Committee Communiqué**

April 9, 2021

1. The Development Committee met virtually today, April 9, 2021.

2. The COVID-19 pandemic has caused an unprecedented public health, economic, and social crisis, threatening the lives and livelihoods of millions. The economic shock is increasing poverty, worsening inequalities, and reversing development gains. As the global economy begins a gradual recovery, uncertainty surrounds near- and medium-term prospects. We call for sustained, differentiated, and targeted financial and technical support for an adequate policy response, strong coordination across bilateral and multilateral organizations, and further support to the private sector. We urge the World Bank Group (WBG) and the International Monetary Fund (IMF), in line with their respective mandates, to work closely together and with other partners to contain the impacts of the pandemic. We also ask the WBG to continue its support to countries in achieving the twin goals of ending extreme poverty and boosting shared prosperity and to promote green, resilient, and inclusive development (GRID), as well as support for the SDGs.

3. Timely delivery of safe and effective vaccines across all countries is critical to ending the pandemic, especially as new variants emerge. Developing countries need to strengthen their



readiness for vaccination campaigns and develop coordinated strategies to reach vulnerable populations. We commend the WBG for supporting client countries' procurement and deployment of vaccines, and we encourage strong monitoring and accountability mechanisms to ensure fair and efficient distribution. We welcome the WBG's partnerships with WHO, COVAX, GAVI, UNICEF, and others, including private manufacturers, to help ensure that developing countries have fast, transparent, affordable, and equitable access to vaccines. We welcome WBG's ongoing revision of the eligibility criteria for vaccine procurement. We call on IFC to redouble its efforts to support manufacturing capacity for vaccines and pandemic related medical supplies in developing countries. The pandemic has triggered far-reaching consequences, and we must strengthen global preparedness for future pandemics, and at the same time make progress in building robust health systems with universal coverage.

4. As poorer countries face the crisis with increased resource constraints, limited fiscal space, and rising public debt levels, more of them, including small states, are vulnerable to financial stress. The rapid initial response under the Debt Service Suspension Initiative (DSSI) has provided much-needed liquidity for IDA countries. We welcome the progress achieved by the DSSI in facilitating higher pandemic-related spending. All official bilateral creditors should implement this initiative fully and in a transparent manner. In line with the G20 decision, we support a final extension of the DSSI by 6 months through end December 2021, which is also agreed by the Paris Club. We reiterate our call on the private sector, when requested by eligible countries, to take part in the DSSI on comparable terms. This final extension will allow beneficiary countries to mobilize more resources to face the challenges of the crisis and, where appropriate, to move to a more structural approach to address debt vulnerabilities including through an Upper Credit Tranche quality IMF-supported program. Within this context, we welcome the ongoing efforts to implement the Common Framework for Debt Treatments beyond the DSSI to address debt vulnerabilities on a case-by-case basis and look forward to the coming first meeting of the first creditor committee. In each case, we also welcome implementing the Common Framework in a coordinated manner, including through sharing necessary information among participating official bilateral creditors. The joint creditors' negotiation shall be held in an open and transparent manner and before finalization of the key parameters, due consideration shall be given to the specific concerns, if any, of all participant creditors and the debtor country. In this regard, we note that the need for debt treatment, and the restructuring envelope that is required, will be based on an IMF/Bank Debt Sustainability Analysis and the participating official creditors' collective assessment. We ask the World Bank and the IMF to support the implementation of the Common Framework, in line with their respective mandates. We stress the importance for private creditors and other official bilateral creditors of providing debt treatments under the Common Framework on terms at least as favorable, in line with the comparability of treatment principle. We recall the forthcoming work of the Multilateral Development Banks (MDBs), as stated in the Common Framework, in light of debt vulnerabilities. We look forward to progress by the IMF and WBG on their proposal of a process to strengthen the quality and consistency of debt data and improve debt disclosure. We also reiterate the importance of joint efforts by all actors, including private creditors, to continue working towards enhancing debt transparency. Bank and IMF support remains critical to enhance debt management and transparency, strengthen countries' domestic revenue mobilization and spending efficacy, and combat illicit financial flows. Looking forward, we urge the Bank and the IMF to help countries design and implement policies to address the root causes of excessive and unsustainable debt. Many middle-income countries also face severe debt distress, limiting their ability to respond to the pandemic. We ask the Bank and the IMF to identify lessons learned and continue working closely with other organizations and policymakers to address the debt challenges facing middle-income countries, on a case-by-case basis. We welcome the launch of a second voluntary self-2 assessment of the implementation of the G20 Operational Guidelines for Sustainable Financing. We look forward to further updates on the implementation of the Institute of International Finance Voluntary Principles for Debt Transparency.



5. The effects of the COVID-19 crisis will be felt for years. Mobility restrictions and lockdowns have triggered job losses, especially for women, youth, and vulnerable groups, and can undermine social inclusion. School closures have caused unprecedented disruption to education, especially for girls, damaging human capital, with long-term economic implications. Inflation and depleted incomes have raised household indebtedness and food insecurity. We urge the WBG to scale up its work to address rising levels of food insecurity and to support countries in achieving SDG2 and nutrition for all. It should address the medium and longer-term challenges of food security and nutrition in a programmatic way and in partnership with other multilaterals, while supporting countries in responding rapidly to already deteriorating food security conditions. Fragility, conflict, and violence (FCV) have worsened in many regions. It is urgent to address drivers of FCV, as well as forced displacement and migration. We look forward to the implementation of the FCV strategy. A sustainable and inclusive recovery requires addressing financial sector vulnerabilities, eliminating tax evasion, and mobilizing vital investments. Priorities for investment include quality health care, nutrition, and education; social safety nets; digital and other innovative technologies; sustainable and quality infrastructure; access to energy, including renewable resources; broader opportunities for women and girls; and finance for SMEs and microenterprises. We urge the WBG to help all client countries revitalize trade, support foreign direct investment, and preserve and create jobs. We note the serious impact of the pandemic in many small states and middle-income countries, where new risks and vulnerabilities are arising; and we urge the WBG and the IMF to strengthen efforts to support these countries, in line with their mandates. We welcome the GRID approach and ask the WBG for its effective implementation through country strategies and operations. The WBG is uniquely positioned to tackle the challenges ahead through its convening power, global reach, and capacity to mobilize finance, technical assistance, and knowledge for both the public and private sectors.

6. We commend the WBG's scale-up of climate finance over the past two years, its continuing role as the largest multilateral source of climate investments in developing countries, its emphasis on biodiversity, and its technical and financial support for adaptation, mitigation, and resilience. We also welcome the WBG and IMF's work to assess the impact of climate change on macroeconomic and financial stability. In addressing immediate infrastructure and economic needs, we request that the WBG continue working with clients to address climate change, land degradation, and biodiversity loss, while ensuring affordable and cleaner energy access. We ask the Bank to ramp up its comprehensive work on biodiversity and work on measuring cobenefits and mainstreaming biodiversity in its operations, as appropriate. We further encourage the WBG and IMF to support a measurable impact in the transition to a low-carbon economy, while considering countries' energy needs and mix, and providing targeted support for the poorest. These efforts will include phasing out of inefficient energy subsidies and other distortive fiscal policies where feasible. The most impoverished and vulnerable populations, including those in FCV situations and small states, are among those most affected by climate change, damaged ecosystems, and natural disasters. We support the WBG's ambitious new target to direct 35% of its financing to climate on average, its commitment for at least 50% of Bank climate financing to support adaptation and resilience, and its crucial convening and knowledge-sharing role and support to a just transition, for countries that request such support. We look forward to the WBG's Climate Change Action Plan for 2021- 2025 and recognize its work on disaster risk management, preparedness, and response. We welcome the WBG's proposal to conduct Country Climate and Development Reports and emphasize that Nationally Determined Contributions (NDCs) should be the primary focus of climate strategies. We commend the WBG's commitment to align its financial flows with the Paris Agreement, and to continue helping countries reach their climate goals, including through NDCs and National Biodiversity Strategies and Action Plans. We also encourage IFC and MIGA's efforts to mobilize Paris-aligned private sector investments. We support the WBG's and the IMF's important role in preparations for the CBD COP15, UNCCD COP15, and UNFCCC COP26 meetings later this year.





7. A vibrant private sector will be essential for client countries to recover, create jobs, and embrace economic transformation. We urge the WBG to continue its work to help crowd-in private capital and finance, and to support the private sector. This should build on the IFC 3.0 Strategy to create markets. IFC should continue helping companies create jobs, preserve viable businesses, adapt to the changes brought by COVID, and pursue a green recovery. We ask MIGA to continue addressing the needs for short- and longer-term funding of private investors and lenders.

8. We support the frontloading of IDA19 resources from FY23 to FY22 to help the poorest countries in their immediate response to the COVID-19 crisis. We also welcome advancing IDA20 by one year. An ambitious and successful IDA replenishment by December 2021, underpinned by a strong policy framework, will support a green, resilient, and inclusive recovery in IDA countries as they address both the immediate and longer-term impacts of the pandemic. We ask the WBG to propose ways to optimize IDA's balance sheet to make the most of donor contributions and IDA resources, while preserving its AAA rating.

9. The next meeting of the Development Committee is scheduled for October 15, 2021, in Washington, DC.



## Section B: Canada's engagement in International Monetary Fund operations

The International Monetary Fund (IMF) is the central multilateral institution in the international financial system. Its role is to provide global economic surveillance, capacity development assistance, and financial assistance to countries experiencing unsustainable external imbalances and related economic difficulties.

Canada has been an influential member of the IMF since 1945, as one of the original 29 signatories to the IMF Articles of Agreement. Since then, the IMF has grown to include a near-global membership of 190 member countries. Canada is engaged in all aspects of IMF governance and activities, and plays a collaborative role with its international partners to ensure that the Fund 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.

The IMF has been an integral part of the global response to the COVID-19 pandemic, providing an unprecedented volume of emergency financing to its members in order to meet urgent financing needs associated with the pandemic. In early 2021, the IMF also began laying the policy groundwork for a general allocation of US\$650 billion worth of new Special Drawing Rights (SDRs), which was finalized in August 2021. This allocation helped supplement member countries' foreign exchange reserves and increased global liquidity. The IMF has also provided policy advice and technical assistance to its members throughout the crisis to help them address urgent issues such as cash management, financial supervision, cybersecurity, and economic governance. These activities have helped stabilize the global economy and will promote a stronger, more sustainable, and more inclusive recovery.

### 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 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	16.50
2	Japan	6.14
3	China	6.08
4	Germany	5.31
5	France	4.03
	United Kingdom	4.03
7	Italy	3.02
8	India	2.63

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

Rank	Country	Share (%)
9	Russian Federation	2.59
10	Brazil	2.22
<b>11</b>	<b>Canada</b>	<b>2.22</b>
12	Saudi Arabia	2.01
13	Spain	1.92
14	Mexico	1.80
15	Netherlands	1.76
16	Korea	1.73
17	Australia	1.33
18	Belgium	1.30
19	Switzerland	1.17
20	Turkey	0.95

### 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 Governors at the IMF during the reporting period were current Deputy Prime Minister and Minister of Finance Chrystia Freeland, and former Minister of Finance Bill Morneau. The position of Alternate IMF Governor is currently held by Tiff Macklem, who succeeded Stephen Poloz, the former Alternate IMF Governor, as Governor of the Bank of Canada in June 2020.

### 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 Kristalina Georgieva. The constituency system allows the 24 Board members to represent all 190 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<sup>4</sup>. With all constituency members combined, the Executive Director for Canada holds a voting power of 3.37%—making it the 12th-largest constituency by voting share. Given Canada's financial contributions and level of IMF engagement, a Canadian has always

<sup>4</sup> Antigua and Barbuda, the Bahamas, Barbados, Belize, Canada, Dominica, Grenada, Ireland, Jamaica, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines





held the Executive Director position within our constituency. Canada's Executive Director during the reporting period was Louise Levonian. The Executive Director is supported by a 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 contributes 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](#).

## 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 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 with Canada's Minister of Finance occupying one of the 24 seats at the IMFC table. Lesetja Kganyago, Governor of the South African Reserve Bank, served as IMFC Chair from the beginning of the reporting period until January 2021. Magdalena Andersson, Sweden's Minister for Finance, served as IMFC Chair for the remainder of the reporting period. 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. Canada's Minister of Finance also tables written statements on behalf of our constituency during the Annual and Spring Meetings that outline our collective priorities for the activities of the Fund. Our constituency's statements for the reporting period are included below, and are also published on the IMF website<sup>5</sup>.

## 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 quota<sup>6</sup> subscriptions are the primary component of IMF financial resources. These resources are supplemented by the New Arrangements to Borrow, a renewable multilateral borrowing arrangement (in which Canada participates) that forms a second line of defence for the IMF. Additionally, the IMF maintains temporary bilateral borrowing arrangements with 40 members (including Canada), which serve as a third line of defence. In the event of a major global economic crisis, the Fund can draw on these multilateral and bilateral lines of credit after all other resources have been effectively depleted. Further information can be found on the [IMF's multilateral and bilateral borrowing website](#).

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<sup>7</sup>. The Poverty Reduction and Growth Trust (PRGT) is financed through loan and grant contributions from members such as Canada, as well as through IMF investment income.

<sup>5</sup> [IMFC Statements by Country](#), October 15, 2020; [IMFC Statements by Country](#), April 8, 2021

<sup>6</sup> [IMF Quotas](#)

<sup>7</sup> [IMF Support for Low-Income Countries](#)



IMF financial operations are conducted in Special Drawing Rights (SDR)<sup>8</sup>, 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, 2020. For more information on IMF finances, see the [IMF's 2021 Annual Report of the Executive Board](#).

**Table 2: Summary of IMF financial resources and Canada's financial position at the IMF, as of April 30, 2021 (Billions)**

Description	Total (SDR)	Canada's Contribution (SDR)	Canada's Contribution (CAD)	Drawn from Canada's Contribution (SDR)
<b>Sources: <a href="#">IMF: Canada: Financial Position in the Fund</a>; Department of Finance Canada calculations.</b>				
<b>General Resources Account</b>				
Quota	476	11.0	19.4	3.0
New arrangements to borrow	361	7.7	13.7	0.1
Bilateral borrowing agreements	135	3.5	6.2	0
<b>Poverty Reduction and Growth Trust</b>				
Active loan commitments		1.0 <sup>9</sup>	1.8	0.8

### IMF lending programs

The IMF makes its resources available to help members finance temporary balance of payments problems while they implement economic policy adjustments. To provide this assistance, the IMF utilizes 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 (GRA), whereas concessional lending is financed out of the PRGT.

To accommodate the high demand for IMF lending resulting from the COVID-19 pandemic, the IMF temporarily increased the annual and cumulative access limits for its emergency financing instruments in April 2020. These increased limits, which remained in effect for the remainder of the reporting period, allowed IMF members to obtain higher levels of emergency financing than would have otherwise been the case. The IMF also created a new Short-term Liquidity Line in April 2020 to provide an additional backstop for members with very strong policy frameworks and fundamentals. Further details on the IMF lending process and instruments are available on the [IMF lending website](#).

<sup>8</sup> 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, 2021, 1 SDR equaled 1.764110 Canadian dollars.

<sup>9</sup> Canada's loan commitment to the PRGT was increased to SDR 1.5 billion on May 13, 2021.

## Lending arrangements

During its 2020-2021 fiscal year (May 1, 2020 to April 30, 2021) the IMF approved 31 new non-concessional lending arrangements (22 of which were emergency arrangements, primarily in response to the COVID-19 pandemic), as well as seven augmentations to existing arrangements, totalling SDR 63.8 billion (approximately \$112.5 billion). As of the end of the IMF fiscal year on April 30, 2021, there were 18 active non-concessional arrangements with the Fund, totalling SDR 108.9 billion (approximately \$192.1 billion).

The IMF also approved 34 new concessional arrangements (31 of which were emergency arrangements, primarily in response to the COVID-19 pandemic) and five augmentations to existing arrangements under the PRGT, amounting overall to SDR 4.3 billion (approximately \$7.5 billion). As of the end of the IMF fiscal year on April 30, 2021, there were 12 active PRGT arrangements totalling SDR 3.0 billion (approximately \$5.4 billion).

Table 3 provides a summary of new IMF lending arrangements approved in 2020-2021. Chart 1 provides an overview of active IMF lending arrangements as of April 30, 2021. A complete list of the IMF's lending arrangements is available in its annual report and on the [IMF Lending Arrangements website](#).

Table 3: Summary of new lending arrangements approved during 2020-2021			
Description	Number of new arrangements	Size (SDR billions)	Size (\$ billions)
Source: IMF, Department of Finance Canada calculations.			
<b>Non-concessional lending</b>	<b>38</b>	<b>63.8</b>	<b>112.5</b>
Regular program lending	5	14.5	25.5
Emergency lending	22	8.5	15.0
Precautionary lending	4	35.2	62.1
Augmentations to existing arrangements	7	5.6	9.8
<b>Concessional lending (PRGT)</b>	<b>39</b>	<b>4.3</b>	<b>7.5</b>
Regular program lending	3	0.9	1.6
Emergency lending	31	3.2	5.7
Augmentations to existing arrangements	5	0.2	0.3
<b>Total lending</b>	<b>77</b>	<b>68.0</b>	<b>120.0</b>

Table 4a: Active IMF lending arrangements, as of April 30, 2021 – by region	Size (SDR billions)
<b>Source:</b> IMF, Department of Finance Canada calculations.	
Africa	8.1
Americas	90.7
Asia	9.5
Europe	3.6
<b>Total</b>	<b>111.9</b>

Table 4b: Active IMF lending arrangements, as of April 30, 2021 – by type and country	Size (SDR billions)
<b>Source:</b> IMF, Department of Finance Canada calculations.	
<b>Non-concessional precautionary agreements</b>	<b>84.2</b>
Chile	17.4
Colombia	12.3
Mexico	44.6
Panama	1.9
Peru	8.0
<b>Non-concessional lending agreements</b>	<b>24.7</b>
Angola	3.2
Rest of Africa	2.2
Ecuador	4.6
Rest of Americas	1.8
Pakistan	4.3
Rest of Asia	5.0
Ukraine	3.6
Rest of Europe	0.0
<b>Concessional agreements</b>	<b>3.0</b>



## Debt service relief

The Catastrophe Containment and Relief Trust (CCRT) allows the IMF to provide grants for debt relief to its poorest and most vulnerable member countries that have been affected by catastrophic natural or public health disasters. The CCRT was enhanced in March 2020 and was subsequently used to provide debt service relief grants to the IMF's poorest members affected by the COVID-19 pandemic. In total, 29 eligible countries received debt service relief worth SDR 519.6 million (approximately \$916.6 million). This relief was distributed in three tranches, approved by the Executive Board in April 2020, October 2020, and April 2021.

## Capacity development

For over 50 years, the IMF's capacity development (CD) work has helped members strengthen the ability of domestic institutions to foster effective policies, leading to greater economic stability and growth. IMF CD activities are both internally and externally financed in about equal proportions. They accounted for about one quarter of the IMF's budget in 2020-2021. Total spending on CD was US\$251 million, including US\$118 million that was funded externally. For more information, see [IMF Capacity Development](#).

## 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 CD, providing approximately US\$118 million (approximately \$145 million) since 2011 (see Table 4 for details). This support has helped low- and middle-income countries build capacity in areas such as central bank functions, public financial management, debt management, and financial sector development and oversight. Canadian-financed CD is generally delivered in three distinct ways:

**1. Regional Technical Assistance Centres (RTACs):** The IMF has developed a regionally tailored approach to 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. In 2020-2021, Canada provided US\$4.9 million (approximately \$6.0 million) to the Caribbean Regional Technical Assistance Centre (CARTAC). This is in line with Canada's commitment to support small island developing states in the Caribbean. For more information, see [IMF Regional Capacity Development Centers](#).

**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 CD activities in the Caribbean, Ukraine, the Middle East, and Africa.

**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 is a fragile state fund specifically focused on supporting Somalia. Canada is currently supporting the AML/CFT Thematic Trust Fund and the IMF-Somalia Trust Fund for Capacity Development. For more information, see [Thematic Funds for Capacity Development](#).



**Table 5: Canadian technical assistance  
(US\$ millions)**

Description	Total disbursed from 2011-2012 to 2019-2020	Amount disbursed in 2020-2021
<b>Notes:</b> IMF capacity development financing is denominated in US dollars. On April 30, 2021, 1 US dollar equaled 1.2285 Canadian dollars. Table only includes initiatives to which Canada has contributed.  <b>Source:</b> IMF.		
<b>Regional Technical Assistance Centres</b>		
Caribbean Regional Technical Assistance Centre	22.2	4.9
Central America, Panama and the Dominican Republic Regional Technical Assistance Centre	9.7	0
Africa Regional Technical Assistance Centres	10.4	0
Pacific Financial Technical Assistance Centre	1.1	0
<b>Country-directed initiatives</b>		
Canadian Global Technical Assistance Subaccount	20.8	(0.5)
Ukraine Selected Capacity Development Activities	18.7	0
Canada-Caribbean Enhanced Public Financial Management Project	17.2	(1.4)
Other Selected Fund Activities	3.2	0
<b>Multi-donor thematic trust funds</b>		
Somalia Trust Fund for Capacity Development	2.5	0
AML/CFT Thematic Fund	1.5	1.9
World Bank Subaccount for Selected Fund Activities	5.8	0
<b>Total amount</b>	<b>113.1</b>	<b>4.9</b>

Additional details on IMF operations (including IMF surveillance, lending, capacity building, and institutional governance) are available on the [IMF website](#).



## 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 Forty-Second Meeting of the International Monetary and Financial Committee (IMFC)

October 15, 2020

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

*We express our sympathies for the loss of human lives caused by the COVID-19 pandemic and reiterate our commitment to mitigating the health and economic impact of the pandemic on people worldwide.*

A tentative global economic recovery is underway, supported by extraordinary macroeconomic policy responses. But the recovery is partial, uneven, and marked by significant uncertainty, with the pandemic continuing to spread in places. The crisis threatens to leave long-lasting scars on the global economy, such as weaker productivity growth, heavier debt burdens, heightened financial vulnerabilities, and higher poverty and inequality. Other longstanding challenges also persist.

To support the recovery, we will sustain our extraordinary and agile policy response, tailored to the different stages of the crisis and country-specific circumstances. We commit to using all available policy tools, individually and collectively, to restore confidence, jobs, and growth. We stand ready to assist the most vulnerable countries and people. We emphasize the need for international cooperation to accelerate the research, development, manufacturing, and distribution of COVID-19 diagnostics, therapeutics and vaccines, with the aim of supporting equitable and affordable access for all, which is key to overcoming the pandemic and supporting global economic recovery. As the crisis abates, we will continue to aim for a robust recovery in growth as we gradually shift fiscal resources from broad-based to more targeted support and facilitate structural transformation, cushioning the impact on jobs, vulnerable people, and viable firms, while preserving debt sustainability. Monetary policies should remain accommodative, in line with central banks' mandates. We will continue to monitor and, as necessary, tackle financial vulnerabilities and risks to financial stability, including with macroprudential policies. We reaffirm our exchange rate commitments.

We will sustain and strengthen our efforts to achieve strong, sustainable, balanced, and inclusive growth, while making the most of current economic, social, environmental, technological, and demographic transformations, in a way consistent with our pre-crisis agenda. We will advance structural reforms to lift growth, employment, and productivity. Free, fair, and mutually beneficial goods and services trade and investment are key engines for growth and job creation. We will promote investment with high social and economic returns, and aim to unlock the potential of the digital economy while addressing related challenges. We reaffirm our commitment to strong governance, including by tackling corruption. We will maintain a well-functioning international monetary system and enhance our efforts to strengthen international frameworks and cooperation. We commit to working together to help vulnerable countries meet their financing needs. We will also work together to continue to enhance debt transparency and sustainable financing practices by both debtors and creditors, public and private. We will support countries' efforts to maintain debt sustainability, or to restore it where debt is unsustainable, and will work together with all stakeholders to improve the architecture for sovereign debt resolution.

We welcome the Managing Director's Global Policy Agenda.





We welcome the IMF's exceptional actions to help members overcome the crisis through policy advice, capacity development, and rapid financial support. We look forward to the IMF continuing its strong engagement in close collaboration with its partners. To this end, we support the IMF's efforts to fully utilize and, if needed, further adapt its lending toolkit to help the membership address financing needs in the uncertain environment brought about by the pandemic. We also support the IMF continuing to explore additional tools that could serve its members' needs as the crisis evolves, drawing on relevant experiences from previous crises. We support the IMF's resumption of focused bilateral surveillance. We welcome the IMF's continued focus on crisis-related issues and support to members to build a more resilient global economy, including by addressing longstanding and increasingly urgent challenges. In this context, we support the IMF's work on other issues, where macro-critical and consistent with its mandate, including the macroeconomic implications and policies related to social spending, governance, climate change, fintech, and digitalization. We support the IMF's enhanced assistance to help address particular challenges faced by small states, fragile and conflict-affected states, and countries hosting refugees.

Ensuring that the IMF can support its poorest and most vulnerable members, which do not have substantial market access, is essential. We welcome the extension of debt service relief for another six months under the Catastrophe Containment and Relief Trust (CCRT) and progress made in securing additional loan resources for the Poverty Reduction and Growth Trust (PRGT). We support the IMF's efforts to further expand PRGT and CCRT resources, and look forward to additional grant contributions, including from new participants. We support the extension of the Debt Service Suspension Initiative (DSSI). We are disappointed by the absence of progress of private creditors' participation in the DSSI, and strongly encourage them to participate on comparable terms when requested by eligible countries. We encourage the full participation of official bilateral creditors. We ask the IMF to continue to support effective and transparent DSSI implementation, together with the World Bank. We welcome the G20's agreement in principle on a "Common Framework for Debt Treatment beyond the DSSI," which is also agreed by the Paris Club. We look forward to the publication of the Common Framework by the time of the G20 Finance Ministers and Central Bank Governors meeting in November 2020. We also welcome the IMF's continued efforts to facilitate timely and comprehensive debt resolution by supporting enhanced coordination of official creditors; identifying gaps in the international architecture for the resolution of private claims and engaging with private creditors and other stakeholders; and reviewing the IMF's policies related to sovereign debt. We call on the IMF to prepare an analysis of the external financing needs of developing countries and sustainable financing options.

We reaffirm our commitment to a strong, quota-based, and adequately resourced IMF at the center of the global financial safety net. We welcome progress on making effective the doubling of the New Arrangements to Borrow (NAB) and the new round of bilateral borrowing agreements (BBA) on January 1, 2021 and urge all NAB and BBA participants to secure the domestic ratification of their participation as soon as possible. We will keep demand for IMF resources under close review. We remain committed to revisiting the adequacy of quotas and will continue the process of IMF governance reform under the 16th General Review of Quotas, including a new quota formula as a guide, by December 15, 2023.

Our next meeting is expected to be held on April 10, 2021.





### **Communiqué of the Forty-Third Meeting of the International Monetary and Financial Committee (IMFC)**

April 8, 2021

Chaired by Ms. Magdalena Andersson, Minister for Finance of Sweden

*The Committee expresses its deep appreciation to Governor Lesetja Kganyago for his leadership as IMFC Chair and welcomes Minister Magdalena Andersson as the new Chair.*

*We express our sympathies for the loss of human lives caused by the COVID-19 pandemic and the suffering it has entailed. We will continue to work together to end the pandemic everywhere and secure a strong, sustainable, balanced, and inclusive recovery.*

The global economy is recovering from the crisis faster than expected last October, thanks to an unprecedented policy response and rapid progress in vaccine development. But the prospects for recovery are highly uncertain and uneven within and across countries due to varying policy space, different economic structures and rigidities, preexisting vulnerabilities, and uneven access to vaccines. Elevated financial vulnerabilities could pose risks, should global financial conditions tighten swiftly. The crisis may cause extended scarring and exacerbate poverty and inequalities, while climate change and other shared challenges are becoming more pressing.

We will calibrate our policies and strengthen cooperation to durably exit the crisis. We emphasize the need for strong international cooperation to accelerate vaccine production and support affordable and equitable distribution to all. To that end, we continue to support the work of the World Health Organization, the ACT Accelerator collaboration, and its COVAX Facility. We will maintain our policy support, tailored to country circumstances, until constraints on economic activity ease meaningfully, continuing to prioritize health spending and assistance for the most vulnerable, while preserving long-term fiscal sustainability. Where appropriate, monetary policy should remain accommodative, in line with central banks' mandates. We will continue to monitor and, as necessary, tackle financial vulnerabilities and risks to financial stability, including with macroprudential policies. We will continue to monitor and cooperate to reduce excessive global imbalances over time through macroeconomic and structural policies that support sustainable global growth.

Strong fundamentals and sound policies are essential to the stability of the international monetary system. We remain committed that our exchange rates reflect underlying economic fundamentals and note that exchange rate flexibility can facilitate the adjustment of our economies. We will continue to consult closely on foreign exchange market developments. 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.

We will also strengthen multilateral cooperation to ensure an inclusive and resilient global economy. In line with the Paris Agreement, we commit strongly to addressing climate change through measures to accelerate the transitions to greener societies and job-rich economies, while protecting those adversely affected. These comprise a range of fiscal, market, and regulatory actions, mechanisms, and policy mixes, taking into account country-specific factors. We will continue to collaborate to unlock the potential of the digital economy, and accelerate efforts toward a modern and globally fair international tax system. We reaffirm our commitment to strong governance, including by tackling corruption. We agree on the need to promote more open, stable, fair, and transparent trade policies and to modernize the rules-based trading system under the World Trade Organization, which are key to boosting global growth. We are taking comprehensive action to help vulnerable countries meet their financing needs. We will work together to continue strengthening debt transparency practices by both



debtors and creditors, public and private, and supporting countries' efforts to maintain debt sustainability. Where appropriate, we will facilitate swift debt treatment together with broad participation by official and private creditors in line with the comparability of treatment principle.

We welcome the Managing Director's Global Policy Agenda.

We welcome the IMF's efforts to help members toward a sustained recovery from the crisis. We call on the IMF to make a comprehensive proposal on a new Special Drawing Rights (SDR) general allocation of US\$650 billion to help meet the long-term global need to supplement reserves, while enhancing transparency and accountability in the reporting and the use of SDRs.

We welcome the IMF's support to help members transition to upper-credit-tranche-quality programs for countries that move out of the emergency phase of the crisis. We call on the IMF to explore how to further support vulnerable low-income and middle-income countries in line with its mandate. We call on the IMF to work with its members to continue exploring ways for voluntary post-allocation channeling of SDRs to support members' recovery efforts. We support the IMF to explore reforms to its concessional financing instruments for low-income countries and to increase the lending capacity of the Poverty Reduction and Growth Trust, and to secure sufficient contributions for a final tranche of debt service relief from the Catastrophe Containment and Relief Trust, including from new participants for both trusts. We support the IMF's enhanced assistance to help address particular challenges faced by fragile and conflict-affected states, small states, and countries hosting refugees. We encourage members to contribute to Sudan's financing package for the clearance of arrears to the IMF and debt relief under the Enhanced Heavily Indebted Poor Countries Initiative. We welcome the IMF's work on advancing the debt agenda jointly with the World Bank, including by continuing to support the effective implementation of the G20 Debt Service Suspension Initiative and Common Framework, which are also agreed by the Paris Club, and by reviewing key policies and rolling out enhanced tools to support efficient implementation of sovereign debt restructuring.

We highlight the critical role of surveillance in providing cutting-edge policy advice and macro-financial analysis tailored to country circumstances, supported by targeted capacity development. We look forward to the review of the IMF's Institutional View on capital flows, informed by, among others, the Integrated Policy Framework. The IMF has an important role in responding to members' diverse needs for guidance on the macroeconomic and financial implications of climate change issues. We, therefore, support the IMF in stepping up work to help its members identify and manage the macro-critical implications of climate change, digitalization, inequality, and fragility, in close collaboration with partners, and to further integrate these issues into its surveillance, lending, and capacity development in line with its mandate. We will explore the appropriate budget envelope for ensuring that the IMF has the staff and skills required to carry out its mandate. We also support ongoing modernization projects and call for further progress on diversity.

We reaffirm our commitment to a strong, quota-based, and adequately resourced IMF at the center of the global financial safety net. We welcome the effectiveness of the doubling of the New Arrangements to Borrow and of the new round of bilateral borrowing agreements. We remain committed to revisiting the adequacy of quotas and will continue the process of IMF governance reform under the 16th General Review of Quotas, including a new quota formula as a guide, by December 15, 2023. We welcome the start of this work and look forward to the first progress report by the time of the Annual Meetings.

Our next meeting is expected to be held on October 14, 2021.



## Section C: Canada's engagement in European Bank for Reconstruction and Development operations

### Reporting requirements

Created in 1991, the European Bank for Reconstruction and Development (EBRD) fosters the transition toward democratic, market-oriented economies and promotes private and entrepreneurial initiatives in Central and Eastern Europe, Central Asia, and the Southern and Eastern Mediterranean region. The EBRD recognizes that successful market economies should be inclusive as well as competitive, environmentally friendly, integrated, resilient and well governed. In 2020, the EBRD made €11 billion in investments – their highest level of investment to date – supporting 411 projects across 38 economies. Canada has been a member of the EBRD since its creation and is the bank's 8th largest shareholder.

In response to COVID-19, the EBRD was the first international financial institution to approve a comprehensive package of response and recovery measures. This "Solidarity Package," unveiled in March 2020, featured a €4 billion Resilience Framework that provided financing to meet the short-term liquidity and working capital needs of its clients. In 2020, the Resilience Framework provided a total of €1.6 billion in financing across 62 projects. The Solidarity Package also expanded financing under the Bank's Trade Facilitation Programme, offered fast track restructuring for distressed clients, and created a Vital Infrastructure Support Programme to help meet essential infrastructure requirements.

The *European Bank for Reconstruction and Development Act (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: [\*European Bank for Reconstruction and Development Agreement Act\*](#).

### Governance and representation

#### Canada's capital subscriptions and shareholding

As of December 31, 2020, the EBRD had 71 shareholders: 69 countries, as well as the European Union and the European Investment Bank. 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<sup>10</sup>.

**Table 1: Canada's capital subscriptions to the EBRD, 2020, as of 31 December 2020 (€ millions)**

Description	Total
<b>Note:</b> Figures are from the 2020 financial report for the EBRD.	
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

Information on the EBRD's 2020 fiscal year (January 1, 2020 to December 31, 2020) 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](#).

Requests for EBRD information can be addressed to:

Attention: Access to Information Function  
European Bank for Reconstruction and Development  
One Exchange Square  
London, EC2A 2JN  
United Kingdom

Or submitted online to [accessinfo@ebrd.com](mailto:accessinfo@ebrd.com), or through the Bank's [Information Request Form](#).

### 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.

<sup>10</sup> 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.



A Governor and an Alternate Governor represent each of the 71 shareholders. Canada's Governor during the reporting period was the Deputy Prime Minister and Minister of Finance Chrystia Freeland and former Minister of Finance Bill Morneau. Marta Morgan, Deputy Minister of Foreign Affairs, is Canada's Alternate Governor.

To learn more about the governance of the Board of Governors, please visit the [EBRD's Board of Governors webpage](#).

### **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. As of November 2020, Canada is represented on the EBRD Board of Directors by Sarah Fountain Smith replacing Douglas Nevison, who represented Canada from November 2016 to September 2020. 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](mailto: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 2020, the Group was chaired by the Director for Austria, Israel, Cyprus, Malta, Kazakhstan, and Bosnia and Herzegovina.

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 2020, the Committee was chaired by the Director for Spain and Mexico.

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, the Shareholder Special Fund, and the uses of Donor funding. In 2020, the Committee was chaired by the Director for Germany.

The Financial and Operations Policies Committee oversees the Bank's financial and operational policies, including the annual borrowing plan and the liquidity policy prepared by the Treasury Department. The committee plays a key role in taking forward implementation of the Bank's Strategic and Capital Framework; policy coherence and coordination; discussions



on projects under the early warning system; and substantive preparations for the EBRD's Annual Meeting. 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 country and sector strategies. In 2020, the Committee was chaired by the Director for Switzerland, Ukraine, Liechtenstein, Turkmenistan, Serbia, Montenegro, Uzbekistan.

### **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 operation. 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.

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. The Executive Director's office works diligently with Bank management to increase awareness amongst Canadian companies of the opportunities presented at EBRD, with a view to increasing the participation of Canadian companies. Canadian financial institutions also play an active role in managing EBRD global bond issuances. Furthermore, Canadians are well represented on EBRD staff. At the end of 2020, there were 36 Canadians on the staff of the EBRD, representing 1.75% of total positions.

