Towards 2030: Building Canada’s Engagement with Global Sustainable Development
In Fall 2014, CIPS convened four working groups of academics and policy practitioners to explore new thinking and policy options in four areas: International Security and Defence, International Development, International Trade and Commerce, and International Human Rights. The working groups grew out of the discussion at the May 2014 Ottawa Forum, which focused on rethinking Canada’s international strategy. The groups met, consulted, deliberated and drafted their reports and recommendations over the past year. CIPS is releasing the working group reports as part of its ongoing effort to promote evidence-based discussion of international policy issues in Canada.

CANADA AND THE WORLD: NEW DIRECTIONS FOR CANADA’S INTERNATIONAL POLICY

Canada’s International Security and Defence Policy
Co-Chairs: Rob McRae and James R. Mitchell

Towards 2030: Building Canada’s Engagement with Global Sustainable Development
Co-Chairs: Margaret Biggs and John W. McArthur

No Time for Complacency: A 21st Century Trade Strategy for Canada
Co-Chairs: Ailish Campbell and Elaine Feldman

Human Rights in Canadian Foreign Policy: New Departures
Co-Chairs: John Packer and David Petrasek
EXECUTIVE SUMMARY

THE WORLD is in the midst of a complex and dramatic set of transformations. Economic globalization, accelerating connectivity and unprecedented environmental strains are affecting all countries’ views on economic power, security risks and global governance. For Canadians, new opportunities, threats and innovations are emerging from places previously considered narrowly to be the beneficiaries of our generosity.

A new mindset is required to advance our nation’s interests while carrying our weight in solving global challenges.

Why Global Sustainable Development Matters

The words “international development” prompt many people to think of moral intentions, humanitarian crises and charity. But that terminology and outlook are outdated in light of the changing global dynamics. In this paper we use the term “global sustainable development,” or GSD, to describe the pursuit of a stable, inclusive, healthy and thriving global society that lives within nature’s means and provides an adequate resource base for future generations.

There are profound moral reasons for Canadians to care about GSD, as a challenge that defines the fate of more than 7 billion people. There are also at least five strategic reasons why GSD intersects with Canada’s most vital national interests:

- Our security is affected by other countries’ development
- Our future prosperity requires seizing trade and investment opportunities with developing economies
- Our economic and physical wellbeing depends on global environmental sustainability
- Being a leader in GSD helps earn global influence
We need deep, long-term partnerships with new powers that are rewriting the rules of the global game.

Building for a New Generation

Despite the importance of GSD, over the course of a generation Canada has fallen behind its peers in keeping pace with the evolving global context. Why has this happened? We do not believe the issues can be attributed to any particular government. Long-term societal approaches – including government policies – hinge on a robust and interactive ecosystem of societal assets. We believe Canada’s current approach to GSD is a product of many gaps – spanning academia, think tanks, business, philanthropy, civil society and all levels of government. Building a strong national ecosystem therefore requires action on many fronts.

Recommendations

We believe Canada has the potential to build the thriving ecosystem necessary for GSD leadership at a global scale. Much of the international agenda through to 2030 will be framed by the new sustainable development goals (or “global goals”), as adopted by world leaders at the United Nations in September 2015. Canadian society was not deeply engaged in the formation of these goals, but it can be deeply engaged in translating their vision into reality.

To that end, we offer eight non-partisan recommendations, focused on medium-term horizons:

1. Get Connected to Get Started: Convene a new Canada-hosted Global Sustainable Development Forum in the lead-up to the UN’s annual High-Level Political Forum in New York.

2. Establish the “How” and “How Much” for Canada’s Investment Priorities: Launch a multi-generational task force of Canadians from business, academia, government, media and civil society to identify the mix and scale of investments, time and money required to advance Canada’s strategic interests in GSD.

3. Build Communities of Applied Research Expertise: Establish global centres of expertise focused on the challenges of global sustainable development at multiple major Canadian universities.

4. Ensure Global Education for a Global Generation: Set a target such that, by 2030, every Canadian university graduate completes an overseas learning or work opportunity, with an emphasis on emerging economies.

5. Forge a Business Leadership Alliance: Create an alliance of CEOs in support of global sustainable development, building on successful lessons in countries such as Sweden and the United States.

6. Mobilize Canadian Philanthropy to Tackle Global Challenges: Seek to establish at least three Canadian philanthropic foundations, each focused on GSD and investing at least $50 million per year.

7. Foster Civil Society Innovation and Leadership: Launch a GSD Innovation Hub and a High-Level CSO “Enabling Environment” Review.

8. Forge a New Role for the Government of Canada: Broaden and strengthen the role of the federal government to become a “systems architect” for Canadian engagement on GSD.

Moving forward

Canada’s societal assets must be built to necessary scale over a period of several years. No single measure will be enough on its own. We hope that others will consider and improve upon these ideas with a common view toward achieving the desired outcomes. Leadership will be needed at all levels of business, academia, civil society and government.

Ultimately, Canada’s success will hinge on our ability to craft a new approach to engaging with global transformations that are increasingly driven by changes in today’s developing countries. If we can commit to engage from many perspectives, reconciling the world’s ever-evolving complexities with our own ever-evolving needs, then our values and interests will be highly aligned. Canadians can then be rightly – and wisely – proud of our contributions to building a more prosperous, sustainable and just global society.
THE WORDS “international development” still prompt many people to think of moral intentions, humanitarian crises and charity. But that outlook is outdated in light of the world’s dramatic economic, social and environmental transformations under way. Concurrent forces of economic globalization, human hyper-connectivity and environmental degradation have universalized societal challenges around the world. Meanwhile, market opportunities and forces for social change are being consistently generated inside countries we once saw as the beneficiaries of our generosity. The most important questions of people, planet and prosperity are core to every nation and increasingly interdependent across nations.

In this paper, we make the case that Canada has not kept up with the evolving global environment, and that a new mindset is required if Canada is to satisfy the strategic imperatives of advancing its own interests and carrying its weight in solving global challenges. At one level, as Robert Greenhill and Meg McQuillan have recently pointed out, national investments in defence and development declined a generation ago and have not yet bounced back, regardless of which political party has been in power. The deeper question to ask is: why has this been allowed to happen? In the complex sphere of global development, we do not believe the issues can be attributed to any particular government. Instead, we believe it is a product of many gaps – spanning educators, researchers, business, civil society and all levels of government.

Nonetheless, we believe that Canada has the potential for a strong and thriving network of underlying assets – one that can contribute to the complex range of innovations, investments, and institutions that are needed to provide leadership at global scale. To stress, the assets must be built over time, and there is no single switch that can be flipped on to build the interactive blend of assets required. Deliberate and multi-pronged efforts will be required across various elements of Canadian society over a period of several years.

There are many buzzwords and jargon-laden phrases used to describe the world’s relevant issues. For the purposes of this paper, we use the term “global sustainable development,” or GSD, to imply: the pursuit of a stable, inclusive, healthy and thriving global society that lives within nature’s means and provides an adequate resource base for future generations.

We note that the concept of GSD is consistent with the 17 Sustainable Development Goals (SDGs) – or “Global Goals,” in the vernacular – recently confirmed by 193 countries at the United Nations as a set of specific international objectives for 2030. We do not seek to cause confusion between the broad ambitions of “GSD” and the formal “SDG” targets, but we use the less common GSD term in this paper in order to focus on the core issues and avoid distracting debates sometimes linked to the SDGs themselves.

**Why Global Sustainable Development Matters**

There are many profound moral reasons why Canadians might choose to care about GSD, as a challenge that defines the fate of more than 7 billion people around the world. There are also at least five reasons why global sustainable development intersects with Canada’s most vital interests.

First, our security is affected by other countries’ development. This includes our health security, as exemplified by the recent Ebola outbreak – and the threats of SARS and avian flu before it. When individual countries, as well as our global institutions, do not have the capacities or the resources necessary to control the rapid spread of emergent disease, all countries bear the cost. It also includes the complexities of our physical security. The rise of Boko Haram, Al-Shabaab, AQIM, and ISIS illustrate what can happen when countries don’t develop the institutional infrastructure to govern and provide rule of law, and fail to deliver basic services and opportunities to their people. It is in Canada’s interests to help prevent such crises.

Second, our future prosperity requires seizing trade and investment opportunities with developing economies. The growth of developing economies presents tremendous opportunities for Canadian jobs and investment around the world. The rapid global expansion in demand for natural resources has been most prominent, but fast growing markets will continue to offer opportunities for all Canadian businesses – in agriculture, manufacturing, engineering, finance, and other services. Conversely, as foreshadowed by the global fallout from a slight
reduction in China’s growth rate, economic setbacks in the developing world are no longer going to occur in relative isolation.

Third, our economic and physical wellbeing depends on global environmental sustainability. Canada’s maritime regions hinge on healthy ocean ecosystems, including sustainable fisheries. Canada’s agricultural regions benefit from stable weather patterns and suffer from extreme weather events driven by climate change. The forestry industry in western Canada is highly sensitive to climate shifts, as are many cities that face recurrent risk of extreme flooding. Entire portions of food and water systems can be affected by the trans-boundary travel of toxins. Canadian society is generally resilient compared to many other countries in the world, but excess depletion of core environmental assets comes with increasingly untenable costs.

Fourth, being a leader in GSD helps earn global influence. As a country with only 0.5 per cent of world population and roughly 2 per cent of world GDP, we need to leverage the opportunities for building influence where they arise. One underappreciated aspect of geopolitics is that if a country earns credibility in one area, it is better able to advance its priorities in other areas. One of the reasons why Norway, which is roughly the same size and population as British Columbia, plays such a major role in shaping global affairs is because it is seen as a reliable champion on global sustainable development. Similarly the United Kingdom has become a major GSD leader over the past decade, and is granted a seat at the lead table on many global policy discussions as a result. Even South Korea, a new OECD member, has launched itself on a course to become a GSD leader as a central plank of its foreign policy strategy, with commensurate gains in setting the global agenda across policy domains.

Fifth, we need deep long-term partnerships with new powers that are rewriting the rules of the global game. The global economy is in the midst of shifting many of its institutions of global governance. The post-World War II international financial institutions, for example, play a much more limited role in global affairs today than they did a generation ago. Many historically Atlantic-based power structures are being replaced with more Pacific-based structures, such as the Asian Infrastructure Investment Bank, which have rapidly altered the structure...
of multilateral finance and politics. In the past, Canada has managed to play an outsized role in international institutions by strategically leveraging its goodwill and national strengths, and in so doing contributed to 70 years of global prosperity that benefited a Canadian way of life. We have the potential to remain an architect of global institutions, with our strategic imperative to bring the rising powers closer to our worldview rather than the other way around.

2015: A Critical Juncture for Both Canada and the World

This paper was written during a year of rare confluence between national and international political calendars. Globally, the SDGs were established on September 25, 2015. They apply universally to all countries as successors to the Millennium Development Goals (MDGs), which have galvanized global efforts to fight extreme poverty and advance human development since 2000. A new government will have the opportunity to shape how Canada responds to fast-moving global trends and this new set of more ambitious and inclusive global goals. Against that backdrop, our analysis and recommendations are strictly non-partisan and aimed at a broad readership.

A Note on Our Journey

Our group was commissioned in late 2014 to consider how Canadian policies might best approach global development beyond 2015. Our deliberations quickly turned to long-term horizons, both forward-looking and retrospective. We agreed that a series of fundamental global transitions are under way, and so Canadian approaches to the global challenges should be considered on a similarly tectonic, multi-generational scale. They transcend traditional notions of who’s responsible and which policies to choose from. They drive more deeply to how Canadians organize themselves to engage with a fast-changing, emerging world. The upshot is that this paper adopts a long-range view to assessing how global megatrends might interact with Canada’s future, and how different elements of Canadian society ought to play essential roles in contributing to the long-term effort.

Some readers might at first be frustrated that we do not make recommendations around near-term policy issues like federal ministry structures, levels of official development assistance (ODA), or specific regions or topics for Canadian focus. We believe a wider aperture is needed. We further believe that if a medium-term horizon can be adopted to engage and connect the underlying Canadian assets across universities, businesses, civil society organizations, governments and citizens, then sound policy directions will emerge as a result. This is not to suggest that policy discussions on geographic, sectoral or financing priorities ought to disappear. Instead it is to suggest that rich engagement and collaboration amongst key Canadian stakeholders will foster a better trajectory of long-term decision-making.

Structure

The rest of this report follows a simple logic. We start, in Section II, by taking a big step back to consider global megatrends that are shifting the context in which Canada will operate through to 2030. Section III describes the new 2030 global agenda that has been confirmed under the Sustainable Development Goals. Section IV describes the range and readiness of the Canadian ecosystem of actors who need to be engaged in GSD efforts. Section IV presents recommendations that we hope can inform next steps in a national conversation. Section V briefly concludes.
II. MEGATRENDS: A RAPIDLY EVOLVING GLOBAL CONTEXT

In redefining a new Canadian approach to global development, we need to understand four different types of global dynamics that constitute what we call “megatrends”: first, undercurrents and structural shifts that now have their own momentum; second, discernible policy successes, including those backed by official development assistance (ODA); third, areas where progress remains more problematic and uneven; and fourth, newly-emergent issues, many of which risk undoing progress to date or present new opportunities for innovative solutions. These dynamics are informing world-wide discussion of the new SDGs and will shape how Canadians engage in this rapidly changing world of global sustainable development.

1. Undercurrents and Structural Shifts

Developing economies now drive global economic momentum. For several generations, the economies of Western Europe, North America, Australasia, and Japan constituted the engine of the global economy. This is no longer the case. As shown in Figure 1, in 2000 a couple dozen of the most advanced high-income countries (HICs) accounted for seven out of every 10 dollars of global economic expansion, while the developing middle-income countries (MICs) and low-income countries (LICs) jointly accounted for only three. By 2013, the situation had flipped such that LICs and MICs generated six out of every 10 dollars of global growth. Not surprisingly, the composition of the global economy is shifting quickly. In 2000, LICs and MICs together accounted for only 22 per cent of global economic output, as shown in Figure 2 (measured at market exchange rates). By 2013, the same countries accounted for more than 40 per cent of output. Soon they will account for more than half.

Shrinking numbers of low-income countries. Widespread economic growth is helping countries climb the ladder of average incomes. Since 2000, 33 countries have graduated from official low- to middle-income status and another 24 have graduated from middle- to high-income status. The drop in the number of the poorest countries exemplifies the change. In 2000, there were 63 LICs, home to 41 per cent of the world’s population. Today there are only 33 LICs, and by 2030 that number is on course to decline to 21 countries, with only around 6 per cent of the population.

Figure 1

Share of Annual Global Economic Growth by Initial Income Group, 2000-2013

Expanding market frontiers. Upstart local firms are revolutionizing business frontiers throughout the developing world, ranging from financial institutions in East Africa to service innovators in Latin America to information technology companies in Asia. Trends of global economic integration are also evident in foreign direct investment (FDI) statistics and the proliferating footprint of extractive industries, with the two indicators often being related. In the early 2000s, only 18 low- and lower-middle-income economies averaged inward FDI flows worth more than 5 per cent of national income. A decade later more than 37 of the same group had crossed that threshold. The IMF has identified another dozen such countries that are on track to become major natural resource exporters. The promise is expanded market-based investment, job creation and government revenues to support broader investments for development. The risk is the creation of narrow pockets of employment alongside extreme stress on governance systems and tremendous pressure on the environment.

Consistent success in macroeconomic management. A generation ago, macroeconomic crises like hyperinflation, currency collapse and debt default were uncomfortably common events across the developing world. Since 2008, the global financial crisis and its aftermath have strained many high-income countries, too. But one of the great global economic gains in recent decades has taken shape through developing economies’ widespread success in implementing sound macroeconomic policies, which provide a key backdrop for successful development strategies. Moreover, developed and developing countries have generally agreed on both the essential role of markets and the limits of markets, as reflected in the 2002 Monterrey Consensus. While this has brought increased macroeconomic stability, it has also removed some blunt instruments that had been used by governments to redistribute wealth and income. At the same time, high-savings economies like China, Qatar and Singapore are embracing new models of state capitalism that are changing the very contours of what the “market” means in developing countries.

FIGURE 2
Share of Nominal Gross World Product by Initial Country Income Group, 2000-2013

Note: Countries classified by income group as of 2000.
More complex global partnership structures. One important evolution of global policymaking over the past 15 years has been the increasingly sophisticated and goal-oriented multi-sectoral partnership structures that draw from government, business, civil society and academia. At one end of the spectrum this includes alliance initiatives, such as Safe Energy for All (SEFA), that bring together major government and market players. At the other end of the spectrum it includes formal institutions like the GAVI alliance for immunizations, for example, which has sophisticated financing and delivery structures that leverage both private financial incentives and public resource commitments. The Global Fund to Fight AIDS, TB, and Malaria also has an innovative governance model that brings together developed country, developing country, civil society, private sector and scientific representation to ensure that its procedures are as objective and outcome-oriented as possible. When confronted with accounting challenges a few years ago, the Global Fund’s governance model allowed it to make the most significant and timely restructurings of any major international body.

2. Compelling Evidence that Policies Can Succeed

Profound gains on extreme poverty. Contrary to popular perception, the world is making unprecedented progress in tackling the worst forms of poverty. Although measurement remains imperfect, the most recent and best estimates suggest that the share of the world living on less than $1.90/day (a common measure of extreme poverty that adjusts for price differences over time) dropped from 37 per cent in 1990 to less than 10 per cent today. On the current trajectory, it is projected to reach around 5 per cent by 2030. Many casual observers and media pundits assume these results are all driven by China, but the gains have in fact been widespread. Even when China is excluded from the calculations, the rest of the developing

TABLE 1

A generation’s decline in extreme poverty

<table>
<thead>
<tr>
<th>Region</th>
<th>1990</th>
<th>1999</th>
<th>2011</th>
<th>2015 (proj)</th>
<th>2030 (proj)*</th>
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<tr>
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<td>690</td>
<td>173</td>
<td>83</td>
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<td>37</td>
<td>13</td>
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<td>72</td>
<td>38</td>
<td>30</td>
<td>22</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>10</td>
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<tr>
<td>South Asia</td>
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<td>560</td>
<td>362</td>
<td>231</td>
<td>43</td>
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<td>375</td>
<td>394</td>
<td>347</td>
<td>335</td>
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<tr>
<td>Total (world)</td>
<td>1959</td>
<td>1747</td>
<td>987</td>
<td>702</td>
<td>413</td>
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<tr>
<th>Region</th>
<th>1990</th>
<th>1999</th>
<th>2011</th>
<th>2015 (proj)</th>
<th>2030 (proj)*</th>
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<td>East Asia and Pacific</td>
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<td>8.5</td>
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<td>34.2</td>
<td>16.6</td>
<td>11.9</td>
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<tr>
<td>Total (world)</td>
<td>37.1</td>
<td>29.0</td>
<td>14.2</td>
<td>9.6</td>
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</tr>
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FIGURE 3A
Accelerating Gains in Under-5 Child Survival – At least 8.8 Million More Lives Saved

Sources:

FIGURE 3B
Incremental Under-5 Lives Saved per Year Compared to Trend as of 1996-2001
The world has cut extreme poverty by half since 1990, including significant recent progress in Sub-Saharan Africa. To be sure, there have been many drivers of progress, ranging from market-focused economic policies and institutions to public investments in agriculture, education and health. Amid debates on the relative roles of each factor in each country, the bottom line is major global progress.

**Breakthroughs in global health.** Probably the greatest gains in poor countries over the past generation have been achieved in health. This has been backed by a tripling of targeted global aid investments and remarkable new forms of collaboration across governments, businesses, researchers, philanthropists and civil society. During the 1990s, life expectancies barely budged in the poorest countries, especially as the untreated AIDS pandemic wreaked havoc around Africa. Since 2000, life expectancies have jumped by 6 years across the low-income world. Within barely a dozen years, the number of people receiving life-saving AIDS treatment in Africa alone skyrocketed from less than 10,000 to approximately 9 million in 2013. Globally at least 7.5 million AIDS-related deaths have been averted. Much of this has been driven by concerted efforts to achieve the MDGs alongside the advent of new goal-oriented health institutions like the Global Fund to Fight AIDS, TB, and Malaria.

**Other health outcomes have seen equally historic gains.** For example, vastly more children are surviving to see their fifth birthday. In 2000, more than 9.7 million children under the age of 5 died. By 2015 that figure has dropped to 5.9 million. Progress has been accelerating such that, by conservative estimates, at least 8.8 million extra children's lives have been saved since 2001 compared to previous trajectories (see Figure 3), most of them in Africa.

Cumulatively, a cascading series of issue-specific health efforts have fostered deeper systemic advances that benefit the entire world. This was strikingly displayed during the recent Ebola outbreak in West Africa. Many expert observers were alarmed when the virus first traveled to Nigeria, one of the world’s most populous and administratively complex countries. But the country’s government had achieved so many gains in building its local health systems in recent years that they were able to stop the virus in its tracks.

Growing economies are transitioning from aid financing. While the past 15 years have seen a significant expansion of development assistance for the poorest countries, the widespread economic gains among emerging economies are translating into greater self-sufficiency in their development finance. Figure 4 shows the shifting sources of finance for LICs, LMICs and UMICs. Domestic government revenues provide a majority of development finance for each group, and concessional assistance (i.e., aid) shrinks in relative terms as income levels become higher. Private finance, the largest share of which is FDI, represents a similar percentage of financing across income groups, although the underlying amounts are much larger at each successive income level.

3. Limits to Progress

The “last mile” on extreme poverty. In 2000, the notion of eliminating extreme poverty would have been considered a pipe dream. Today it is considered a focused and practical task, one that is globally achievable across multiple dimensions of income, health, and food security over the coming 15 years. However, it requires progress across diverse circumstances, ranging from a few dozen low-income countries to a much larger number of middle-income countries in which extreme poverty accounts for a smaller share of the local population but a larger (for now) number of the global total. Moreover, around a few billion people still live under higher thresholds of global poverty. The challenge of ensuring inclusive global prosperity remains enormous.

Most pressing, around 700 million people are currently estimated to be living on less than $1.90 per day, the current benchmark for “extreme poverty.” A similar number of people are still living chronically undernourished. The challenge remains especially pronounced in Sub-Saharan Africa, where 347 million people, or 35 per cent of the population, are estimated still to be living below the extreme poverty threshold. And while all other regions are currently projected by the World Bank to reduce extreme poverty headcount rates to 3 per cent or less of the population by 2030, the same projections show that on current trends, Africa’s rate will drop to only 24 per cent by 2030, or roughly 335 million people.

The gender gap. The past 15 years have seen significant progress in tackling inequalities faced by women and girls, for example on MDG 3 and gender equality in primary school enrolment. But in many other areas, women and girls do not have equal rights, do not have access to the same services and opportunities and live in greater poverty. In most developing countries – and in a majority of advanced economies – women still have less access than men to economic, social and political opportunities. This ranges from access to agricultural inputs, financial services and property rights in rural areas to senior executive positions in companies and governments. The challenges of violence against women remain a blight on humanity, as does the persistence of widespread human trafficking.

Gaps in investments in people. The MDG period has seen unprecedented gains in primary school enrolments around the world, but the outcomes of that education are often weak. Moreover, people need at least secondary education and vocational training in order to earn decent wages in the modern global economy, so the quantity and quality of education need to be improved. So, too, do our responses to the basic challenges of hunger and nutrition, which have seen mixed gains across regions. In many African countries, the low productivity of agriculture poses fundamental challenges to better food availability and income growth. In other countries the burden of poverty combined with the availability of cheap, low-nutrient calories also results in a nutritional deficit for broad subsets of the population. The life-long consequences of nutrition gaps incurred during the critical first 1,000 days of life are substantial.

The complexities of violent conflict and political fragility. In the past 30 years, the world has become wealthier everywhere except in fragile and conflict-affected countries. By next year, most of the world’s poor are expected to live in countries where civil conflict is common and government does not provide basic services including security and rule of law. This trend is expected to continue, and in 2030 more than 90 per cent of the world’s extreme poor are projected to live in fragile and conflict-affected states. Fortunately, the number of deaths due to violent conflict has declined in recent years, although more than half a million people have al-
In the past 30 years, the world has become wealthier everywhere except in fragile and conflict-affected countries. By next year, most of the world’s poor are expected to live in countries where civil conflict is common and government does not provide basic services including security and rule of law.
meaning the youth bulge of the coming decades may lead to instability rather than economic growth and development. This could become most pertinent in Sub-Saharan Africa, where more than one in four of the world’s children under 15 will live by 2030, and the working age population will be growing by around 21 million people per year.

**Peak growth of cities.** Overlapping forces of population growth and economic progress mean that we live in the midst of humanity’s historical peak in the growth of city populations. The world’s urban areas grew by more than 1 billion people between 2000 and 2015, and will add another billion people by 2030. This means that we are facing a critical juncture for deciding how to build urban settlements. In practical terms, much of the world’s infrastructure gap for sustainable development – including energy, transport, and housing systems – will be confronted in municipalities. The coming generation faces a profound question as to whether it will aim to build smart and resilient infrastructure at the outset, or whether this will be left for future generations to retrofit at much greater cost.

**Crossing planetary boundaries.** Probably the biggest downside to the world’s tremendous economic progress is the increasing strain on the earth’s ecosystems. In previous eras, hard-headed economists and business leaders considered environmental management either a “nice to have” but not a “need to have” while economies improved living standards, or else a by-product of economic progress that would take hold as incomes grew. Today many of the same analysts have changed their tune to define the earth’s “natural capital” as an essential ingredient to be protected in order to ensure sustained economic progress, protection of living standards, and even social stability. Prominent scientists argue that we are crossing multiple boundaries of sustainable planetary capacity. This includes unsustainable threats to ecosystem integrity, including risks of catastrophic collapse in ocean ecosystems. Bio-geo-chemical flows for nitrogen and phosphorus are considered already to have exceeded maximum sustainable thresholds.

**Climate change disasters – including sea rise, droughts and flooding.** Climate change presents both a stark planetary boundary and a fundamental threat to human lives and the global economy. March 2015 marked the first month in recorded history that carbon dioxide concentrations in the atmosphere averaged above 400 parts per million. The lag effects of atmospheric carbon concentration mean the consequences will play out for decades to come. In the most densely-populated regions of Asia, extreme floods and storm activities already affect huge numbers of people every year. In other regions like Australia, the western United States and the African Sahel, the opposite problem of drought presents many extraordinary costs.

**Navigating financing troughs and volatile commodity prices.** Many fast-growing emerging economies, especially lower-middle-income economies, face multiple risks to sustaining their rates of economic growth. Current international system gaps mean that countries face a premature decline in access to appropriate finance before their domestic revenue structures are able to fill the gap, and recent evidence indicates that the drop-off causes slowdowns in subsequent growth. Meanwhile dozens of developing countries have experienced a boom period driven by the past decade’s commodity super-cycle. These countries already face complex challenges in ensuring natural resource endowments support broad-based economic progress. Recent drops in commodity prices amplify the complexities at hand.

**Identifying 21st Century sources of economic progress.** As the world’s economic and technological frontiers continue to evolve, each country’s recipe for broad-based economic progress must continue to evolve. The changing roles of skills, machines, transportation, natural resources, and intergovernmental policy coordination are recasting the nature of global supply chains and consumption patterns. Individual countries cannot simply replicate strategies that worked well for other countries, or for themselves, in previous years. Economies at all income levels therefore require a complex blend of long-range planning plus adaptive policy strategies in order to sustain gains in prosperity.

**Accountable governance across public and private sectors.** Academic research over the past 20 years has brought clear attention to corruption’s long-term drag on
III. DEFINING THE GLOBAL AGENDA TO 2030

THE COMPLEX MEGATRENDS described above have combined to redefine the global sustainable development agenda. They have also prompted a widespread recognition of the need for a more inclusive approach to global agenda-setting itself. Over the past 15 years, the MDGs became the common international framework to tackle the challenges of extreme poverty. The MDGs were a product of their time, aiming to draw attention to a focused set of issues among a focused set of countries. In recent years it has become clear that a wider frame is needed, encompassing an inter-connected set of issues – people, prosperity, planet.

To inform a new generation of intergovernmental efforts, the United Nations initiated the most inclusive global agenda-setting process ever conducted. For example, more than 8 million people voted on a set of priorities at myworld2015.org. The UN system supported more than 100 country dialogues. The Secretary-General convened a high-level panel of government leaders and eminent voices from around the world. A Sustainable Development Solutions Network synthesized inputs from hundreds of scientific and technical experts around the world. The UN General Assembly convened its own Open Working Group to consider all of the other inputs and put forward its own recommendation.

The outcome is a set of 17 Sustainable Development Goals (SDGs) – or Global Goals – for 2030, which were affirmed by world leaders at a major UN Summit on September 25–27, 2015 (see Box 1). Although the event garnered minimal attention in the Canadian media, it was a major international political moment, bringing such respected moral leaders as Pope Francis and Malala Yousafzai together with more than 130 prime ministers and presidents from around the world.

The SDGs can best be understood as a distillation and byproduct of the world’s global sustainable development challenges. At their core, the MDGs were focused on cutting the many forms of extreme poverty by half. The new global goals can be summarized as tackling “second half”
problems across four dimensions. First, they focus on the second half of extreme poverty, and finishing the job that was initiated under the MDGs. Second, they focus on the second half of the GSD issues, incorporating broad challenges like peace, jobs, oceans, inequality, climate, energy and infrastructure. Third, they focus on the second half of society. Rightly or wrongly, the MDGs have often been considered the domain of government and CSOs. But for the SDGs, most agree that the private sector, philanthropic and scientific communities are equally essential to success.

Fourth, the new goals address the challenges of the second half of the world. The agenda is universal, in light of the increasingly porous distinction between developed and developing economies. Many of the world’s foremost challenges – like jobs and climate – are inherently global in nature and interwoven with other challenges, so it would be illogical to tackle them in isolation. This was prominently asserted at the Group of Seven’s June 2015 summit in Germany, at which Prime Minister Harper joined Chancellor Merkel, President Obama and other leaders to stress that:

The [global sustainable development] agenda should complete the unfinished business of the Millennium Development Goals, end extreme poverty, leave no one behind, reduce inequality, accelerate the global transition to sustainable economies, promote sustainable management of natural resources, and strengthen peace, good governance and human rights. (G7 2015 Schloss Elmau communiqué, p.15)

Based on the experience of the MDGs and the vast range of global public and private constituencies that now feel vested in the success of the new Global Goals, the agenda is almost certain to become the dominant framework for coordinating international economic, social and environmental cooperation through to 2030. It has so far received limited public or political attention in Canada, so identifying ways to build the relevant communities of understanding must be a top priority moving forward.
IV. CANADIAN READINESS FOR THE NEW GLOBAL AGENDA

THE SCALE AND SCOPE of the GSD challenge prompts a critical question for Canadians to ask ourselves as a nation: are we adequately equipped and engaged, individually and collectively, to meet the new generation tasks and opportunities?

The first step to answering such a question is to recognize that “Canada” is not a monolithic entity. Our society comprises a complex interactive ecosystem of actors and ideas, operating both within and across the nation’s physical borders. In our judgment, this ecosystem is not yet ready for the global challenge. Too many assets are weak as ecosystem components, and they are weaker still in their interconnections, far weaker than those of a broad range of our global peers.

We emphasize the ecosystem concept because, for many years, discussion of Canada’s role in GSD has focused too narrowly on the role of the federal government – or on the former Canadian International Development Agency (CIDA) – and on specific decisions attributed to individual political parties. To be sure, federal political leadership matters hugely for identifying broad challenges, shaping debates, guiding policy, marshaling human and financial resources and mobilizing stakeholders across society. There is also no question that a wide range of federal departments and agencies – including crown corporations and granting councils – play important roles in supporting, defining and implementing the national agenda. But federal government actors represent only one piece of the puzzle, even if a large piece.

Other key categories of ecosystem actors include:

- scientists, researchers and educators who generate and diffuse societal knowledge,
- market actors, including established industry leaders, young entrepreneurs and pension funds,
- engaged citizens, individual philanthropists (small and large) and non-governmental organizations, and
- government departments and agencies across the federation, including provincial governments, municipal governments, and regulatory bodies

The following briefly describes and assesses the status for each of these categories.

A. Knowledge Generators and Educators

Research bodies are often underappreciated for their role in long-term GSD success. Most global challenges – like health, finance, food, oceans, climate, energy or institutional design – are underpinned by considerable scientific, technical and practical complexities. The problems are multi-dimensional, so any approach to addressing them requires a robust long-term commitment to fostering evidence, expertise and learning. Over time, the “upstream” ideas and knowledge play an important role in influencing the “downstream” day-to-day choices made by policymakers, business executives, community leaders and individual citizens. Part of the knowledge is generated through basic scientific research. A second part is driven by bridging from basic science to applied science through the application of technical rigor to practical questions. A third part is generated by creating, informing and participating in public debate. A fourth part is pursued through educational systems that equip young people with the knowledge and experiences that will allow them to thrive in a rapidly evolving global society.

i) Centres of Research and Expertise

Many different types of Canadian organizations contribute to basic and applied scientific research, including universities, think tanks, industry research groups and government research institutes. Specialized bodies like the International Development Research Centre (IDRC) are resourced to support ground-level applied research capacity and innovation in developing countries. Many individual researchers are making important contributions in their specialized domains. In the realms of global health, food and nutrition science, and resource management, for example, researchers in Canada are active at the global forefront.
There is no easy or definitive way to assess Canada’s overall performance on GSD research. Nonetheless, we are of the view that too few Canadians are directly engaged in the applied research that informs global policy-making. This has been evidenced, for example, in the very limited engagement between Canada’s academic communities and the global research and policy debates on the development of the SDGs and their metrics. Canada’s universities and think tanks have not convened any major global policy events, even though cities like Montreal, Ottawa and Toronto have tremendous advantages for their geographic proximity and “middle power” political neutrality vis-a-vis UN headquarters in New York.

Think tanks play a critical role at the interface between research, policy and practice, often linking university researchers to the policy debates and vice versa. However, Canada is thin in this area too, as reflected in the University of Pennsylvania’s annual global assessment of think tanks. The methodologies underlying such rankings are inherently imperfect, but they do provide a general sense of performance. Canada has some bright lights in the rankings, with the Fraser Institute and the Centre for International Governance Innovation (CIGI) both scoring among the top 50 think tanks in the world. But in the general Foreign Policy and International Affairs category, Canada has no organization included among 85 listed. Meanwhile Australia has four while Norway, Poland and Sweden each have two. And in the International Development category, Canada has no one in the top 25; the International Institute for Sustainable Development ranks 28th and CIGI ranks 36th. Up until to a few years ago, Canada’s North-South Institute rated as one of the world’s top small-sized think tanks, but financial challenges prompted its dissolution in 2014 – a symptom of ecosystem gaps – and a successor body is still taking shape.

The lack of public intellectual engagement on GSD issues has been exacerbated by the limited number of think tanks in Canada.
sues might help explain the limited nature of the country’s public debate on relevant topics. Mainstream Canadian media carries much less public conversation on these issues than countries like the United Kingdom, which have a strong base of think tanks and universities engaged in global scientific and policy questions. This is evidenced in the modest MDG media coverage in national outlets like The Globe and Mail when compared to prominent British outlets like the Financial Times, The Economist, or The Guardian. Figure 5 illustrates this with a count of the number of MDG mentions in print articles over 2001 to 2014 in The Globe and Mail, the Financial Times and The Guardian. As an English-language media reference in the developing world, the figure also presents the same article count for Hindustan Times of India.

There are many reasons for Canadian gaps in GSD-related research and expertise, especially those in applied research. One is the nature of university researchers’ tenure-track incentives, which tend to encourage basic science and theoretical advances over applied questions, although this is not unique to Canada. A second is that the federal government has not actively encouraged ongoing engagement with outside researchers and has had limited capacity internally from which to lead, cultivate or participate in research networks. For example, the foreign ministry does not have an office of chief scientist or a high profile chief economist’s office focused on GSD. A third is that national research funding bodies (e.g., the Social Sciences and Humanities Research Council, the Natural Sciences and Engineering Research Council) provide only limited support for research on applied GSD questions.

For its part, the International Development Research Centre (IDRC) has a mandate focused on fostering research, knowledge, and innovation relevant to developing countries, particularly research generated locally within developing countries themselves. It also has experience building links between researchers in Canada and researchers in low- and middle-income countries. For example, the Canadian International Food Security Research Fund has a mandate to apply Canadian science and technology expertise to food security problems and support partnerships between Canadian and developing country research organizations. Another example is IDRC’s partnership with the Canadian Institute for Health Research on Innovating for Maternal and Child Health which is creating teams of Canadian and developing country researchers to test and deliver health solutions. Similarly IDRC has partnered with the Canada Research Chairs program on the International Research Chairs Initiative, again linking top researchers in Canadian universities with researchers in developing countries to address a variety of development challenges.

To be world-class in the domain of applied GSD research and contribute most effectively to public decision-making, both nationally and globally, Canada needs to scale up its efforts – to be fully globally connected and to bridge perspectives across disciplines, sectors and stakeholders. IDRC has a number of models on which to build in this regard. The Partnerships Grants stream at the Social Sciences and Humanities Research Council is another potential building block; it encourages cross-sectoral (academic, public sector, private sector, not-for-profit) research and knowledge cooperation and can draw in international scholars. Similar approaches need to be applied systematically to GSD topics across the national ecosystem.

ii) Platforms for Learning

Of course, the flip side of academic inquiry is student learning itself. In this respect Canada’s public universities play a foremost role in educating future generations about GSD, at both the undergraduate and graduate levels. Many forms of education are relevant, including discipline-specific knowledge, such as epidemiology, engineering, economics or climate science; integrative professional knowledge which provides a solid foundation for policy and programmatic design and implementation; and experiential learning through internships, co-op programs and study abroad.

Again, there are no simple benchmarks for assessing GSD educational opportunities and performance in Canada. Feedback from university administrators and student surveys suggest that global sustainable development is a topic of strong interest among Canadian undergraduates. Many schools offer the chance to pursue specialized degrees in areas like social sciences, economics, environmental science, engineering or life sciences, many of which include “international development” in the course labels. But few of these courses adequately prepare students to engage in applied issues spanning all the relevant
disciplines, in line with the complex nature of GSD problems themselves.

Another key element of GSD education is direct exposure to foreign cultures and countries through international exchange. Only three per cent of Canadian undergraduates study abroad each year, compared to 30 per cent of students in a highly internationalized country like Germany. Some Canadian universities have taken innovative steps to encourage students to study outside Canada. For example, UBC solicited and received substantial gifts in order to offer academic mobility opportunities in Asia, all of which were immediately subscribed. Western University offers an International Learning Award to all new students – a $1,000 grant for an international learning experience during their third year of study.

Inbound international students also enhance Canadians’ global exposure and learning and build bridges back to governments and communities in emerging economies. Here Canada has made considerable progress in recent years and there is effort underway to double the number of international students in Canada to 450,000 a year by 2022, with recruitment sensibly targeted at major emerging economies such as China, India, Brazil and Mexico. However, Canadians risk missing the opportunity to develop ties with a generation of new leaders in other emerging and developing countries if universities do not also attract young people from regional powers like Ghana, Indonesia, Nigeria, Pakistan and South Africa and developing economies more generally. A major new development is the involvement of UBC, the University of Toronto and McGill University in MasterCard Foundation Scholars Program which is now bringing hundreds of next generation leaders from Sub-Saharan Africa to Canada to study and exchange knowledge.

B. Market Actors

Market actors – firms, entrepreneurs, investors, financial institutions – are fundamental drivers of a broad range of GSD outcomes. Those outcomes can be consistently positive when these market actors are subject to appropriate public regulation, complemented by smart public investments and part of a broader, fair system of redistribution. Local, national and multinational actors can bring capital, jobs, technology, know-how and economic efficiency to local and national development around the world. The private sector can affect economies and societies through tax revenues, workforce standards, environmental footprint and commitments to transparency and good governance. Many industries play an especially direct role in driving social and environmental results, including agribusiness, manufacturing, mining, social services, construction and finance. When Canadian firms operate in these realms, they should employ world-class operations and practices to maximize sustainable development impacts around the world.

Institutional investors like pension funds can be major players too, since they often stand at the top of the capital food chain, and help set the course for investment patterns and regulations around the world. Bodies like the Canada Pension Plan Investment Board and the Caisse de dépôt et placement du Québec have a growing presence and are uniquely required to think strategically about very-long-run global trends and needs. Moreover, they have a well-earned global reputation for being among the most sophisticated of institutional investors. At a time when Basel III reserve requirement regulations are prompting commercial banks to pull back on infrastructure investments, many leading global policymakers are keen to improve incentives for pension funds and similar investors to deploy trillions of dollars per year towards the vast infrastructure needs of low- and middle-income countries. Those investments can promote growth generally while also responding to the need for low-carbon energy systems to limit long-term climate change. Concerns about fiduciary duty that prevented asset managers in previous decades from taking a pro-active role in factoring environmental, social and governance concerns in their investment decisions are being replaced with a new consensus that investment managers in fact have a responsibility to invest in businesses that support the development of a more sustainable and well-governed economy.

Many Canadian firms operate seamlessly across developed, emerging and frontier economies. Mining firms are particularly global in their footprint. Canada’s financial sector is also internationally active, particularly in the Americas. At smaller scales, impact investment funds and social entrepreneurs are developing new models to leverage private capital in order to boost social returns. However, taken as a whole, the aggregate engagement of
Canadian firms remains too limited beyond the U.S. economy, and particularly so with the world’s emerging and developing economies. This is reflected, for example, in our exports. Among G7 countries, as shown in Figure 6, Canada posts the lowest per capita exports to developing countries—just US$1,400 per person in 2014, compared to $2,370 in the United States and $5,440 in Germany.

Indicators of foreign direct investment (FDI) outflows are not much better. As of 2012, Canadians hold more than US$5,000 in overseas assets per person, but this does not suggest a broad strength of Canadian firms, since more than half of these assets are located in the offshore tax havens of Barbados and the Cayman Islands. When Canadian resources do find their way into developing nations’ economies through various operations and investment vehicles, the majority of this FDI is concentrated in just two sectors — mining (including oil and gas) and finance (including insurance) — even though these sectors comprise only 15% of the Canadian economy.

We are not the first to note that too many Canadian industries and firms are inadequately engaged with the new frontiers of the global economy. As described in the megatrends above, developing countries represent the foremost current and future sources of global market growth and sustained opportunity. We cannot rely on reaping the full rewards of these markets if we rely on accessing them indirectly via U.S. supply chains. That is a recipe, at best, for earning commoditized low prices rather than the rightful returns to risk capital.

Canadian businesses should be more engaged in GSD as a direct source of long-run competitive advantage in global markets. When developing countries choose the foreign firms they want to work with, particularly in the extractive sector and other regulated industries, they increasingly look for the suite of societal contributions that the firm can bring to the table. From cultivating local businesses that can act as suppliers into a global value chain to being world-class in environmental mitigation, foreign firms are tasked with roles previously associated with non-profit actors. This positive, pro-active role is often lost in the Canadian debate, which simplistically pits activist against pro-business voices. What is also too
often forgotten is that our internationally-engaged market actors also develop unique insights into the workings of local and national economies and societies around the world, as well as of the institutions of the global economy itself. Bringing these insights back home and sharing them with other parts of the Canadian GSD ecosystem should be a high priority.

How can Canadian firms start achieving their potential in working and partnering for GSD success? For one, they can start at the top. Business CEOs can play an important policy role by offering their public voices and leadership. They have an earned capacity to explain the practicalities of the global economy to Canadian communities and policymakers. In countries like the Netherlands, Sweden and the United States, for example, corporate CEOs are often leading champions for scaling up effective official development assistance, based on an understanding of global strategic imperatives. This has been most prominent in the sphere of global health, where CEOs from finance, media and the pharmaceutical industry have been prominent advocates for scale-up on issues ranging from antiretroviral drugs to malaria bed nets to community health workers.

Canadian firms appear to lag behind their global counterparts in engaging in the primary institutional frameworks for corporate leadership on business ethics and sustainability. As one indicator, the UN Global Compact convenes global firms of all sizes with academic, civil society, local governments, national governments and international institutions to promote a shared understanding of what each sector can do to pursue sustained growth that serves the interests of citizens everywhere. Over 8,000 firms from around the world have joined and committed to report on progress against their own sustainability commitments. Reasonable people might critique the efficacy of these coordination efforts, but it is notable that only 54 Canadian firms participate in the Global Compact, accounting for 0.65% of global membership, well below our 2.3 per cent of global GDP, 2.5 per cent of global trade, or 4 per cent of global outgoing foreign direct investment.9 By way of comparison among comparator economies, 74 firms from Australia are involved, as are 86 from Netherlands, 85 from Norway, 194 from Sweden and 225 from the United Kingdom.9

In addition, there is only one Canadian member firm in the World Business Council for Sustainable Development, “a CEO-led organization of forward-thinking companies that galvanizes the global business community to create a sustainable future for business, society and the environment.”10 This compares to four each from Finland, Korea, and South Africa; five each from Norway and Sweden; six from the United Kingdom; 10 from Brazil; 12 from France; and 33 from the United States. Canadian executives are also reported to play less prominent global roles than executives from countries like the Netherlands and Sweden, for example, in major agenda-setting events like the World Economic Forum’s annual meeting in Davos, Switzerland.

C. Private Citizens and Civil Society

The ultimate generators of Canadian GSD engagement are individual Canadians themselves. There are 35 million people who can each, in their own way, contribute and benefit – by working in globally connected companies, studying or teaching at a university or college, donating to civil society organizations (CSOs), choosing to consume fair trade products, or volunteering and fostering personal networks with other individuals around the world. Polls on global affairs demonstrate Canadians’ support for development. For example, a recent Ekos survey found that Canadians ranked development and aid as the most important foreign policy consideration.11

Canadian society also has a remarkable capacity for global reach. Nearly 7 million Canadians were born outside of Canada, the vast majority in developing regions, giving Canada the highest share of immigrants in its population among G7 countries. Nearly 3 million Canadians also live abroad. Countless of them are actively engaged in initiatives, organizations, and networks pertinent to the spectrum of GSD priorities. New Canadians often also provide significant direct financial transfers to their families and charities in their birth country. It is estimated that in 2012, for example, $24 billion in remittances were sent abroad, with the largest remittance outflows to China and India.12

Many Canadians channel their interests in GSD through registered charitable entities, which mobilize a range of grants, volunteers and skilled professionals. Canada has more than 1300 charitable organizations focused primarily on international aid and development. These
are backed by more than $1.3 billion of tax-receipted private gifts per year and roughly $1 billion in contributions from the federal and provincial governments.¹³

Canadian CSOs play a vital role in GSD, uniquely complementing the roles of government, academia and the private sector. They embody tremendous diversity by size, mandate, geography and expertise. Some are chapters of international NGOs and many others are home-grown. They partner with civil society groups in developing countries. A number of organizations recruit and place volunteers in overseas projects. Overall, since 2009, more than 11,000 volunteers from all parts of Canada have been mobilized to contribute in some 43 countries through the federally funded Volunteer Cooperation Program.

With a long history as advocates for the most marginalized at home and abroad, many Canadian CSOs engage and educate citizens on GSD. Many also contribute to policy debates and deploy advocacy skills to hold governments and other decision makers to account. More recently, technology-empowered youth-led advocacy networks have engaged a new generation of actors. In doing so, these efforts all help shape public policy in Canada, and at their best, influence policy globally.

Abroad, CSOs can be a source of innovation and imagination, able to take risks and move quickly. They are commonly the first responders in crises and provide direct support for partner organizations aiming to build more open and democratic societies. They also often provide essential services for hard-to-reach and marginalized populations, including in fragile contexts and places where governments will not operate.

Canada’s CSOs have a long-standing relationship with the federal government, dating back to the earliest days of Canada’s involvement in international development. At its best, this relationship has been a tremendous win-win-win: Canadian CSOs have received support to innovate and push development frontiers; the Government’s efforts have been supported to reach marginalized and poorly-served populations; and Canada’s reputation has been strengthened on the world stage.

Mutually beneficial government-CSO partnerships have taken shape in many realms, including women in development, food security, humanitarian assistance and most recently, maternal and child health. At times, however, the relationship has been strained. There have been tensions related to the advocacy work of CSOs, and the funding relationship – where many Canadian CSOs have been over-reliant on Canadian Government funding – has created difficult power dynamics and financial instability for some organizations. Dialogue and mutual understanding have at times been lacking.

The changing GSD landscape demands a profound reflection by Canadian CSOs on how they can best contribute at home and globally. Local civil society groups in developing and emerging economies, for example, are growing ever stronger and more empowered. For Canadian CSOs to have the greatest impact between now and 2030, their roles will need to change. They must continue to be active in front-line service delivery in fragile contexts and marginalized communities; to tackle extreme poverty and inequality and respond to natural and other disasters; and to integrate economic development, gender and sustainability perspectives into this work. But Canadian CSOs must also contribute to building the capacity and resilience of local counterpart organizations, including in places where their capacity to operate is under threat. This requires investors in Canadian civil society to acknowledge the importance of capacity building activities, as well as advocacy efforts to support civic space and civil society as essential dimensions of vibrant societies and democracies.

CSOs are also well-positioned to be incubators of new ideas in the fast-changing GSD context, and thus need to be positioned to foster innovation and risk taking. To capitalize on new opportunities and remain relevant in the changing context, many Canadian CSOs need to transition to business models that generate and accommodate entrepreneurial approaches to problem solving. This requires attracting and retaining staff who can operate and thrive in these environments. It requires shifting organizational cultures and attitudes to be open to new and at times riskier ways of operating. It requires openness to new approaches to GSD financing – including impact investing, philanthropy and global multi-stakeholder alliances. All this needs to be done – and can be done – in a way that maintains the integrity of organizational mandates and the credibility of the sector.

Moreover, Canadian CSOs have a critical role to play in shifting the dominant development narrative from one
of charity and aid to one of investing in Canada’s future, and that of the world too. Here, the new global goals for sustainable development should form a core reference framework, and the connection between GSD and domestic shared prosperity should be front-and-centre. While some Canadian CSOs have led the way in reframing the narrative, others lag behind with stories of desperation and simple fixes, often as messages to drive fundraising. This perpetuates narrow and out-of-date public conceptions of GSD and makes it more difficult to explain a more accurate and complex GSD narrative. Beyond this, Canadian CSOs need to enlarge the GSD tent, by engaging with communities that have not historically been the ‘usual suspects’ and connecting in ways that are meaningful to them. For many CSOs, it will also mean going back to their roots in Canadian society.

Finally, Canadian CSOs need to help shape policy debates and decisions at the strategic level, not only on aid effectiveness but also on ‘beyond aid’ issues such as trade, finance, sustainability, tax, investment and transparency. While in the past Canadian CSOs punched above their weight in particular areas (for example, gender equality and the World Conferences on Women), they have struggled to maintain analytical capacity and influence across the expanding range of critical GSD issues. A case in point is the striking low levels of engagement by Canadian CSOs in the recent global goal-setting processes. For Canadian CSOs to succeed, they will need to strengthen existing -- and build new -- capacities, skills and know-how. This implies building in-house capacity while also investing in the partnerships that provide expertise, insight and credibility -- whether with universities, think tanks and consultancies, in Canada or internationally. Canadian CSOs would also benefit from deeper local wells and richer national networks of policy research. In the United Kingdom, for example, CSOs can tap into a number of think tanks, university centres, and government research initiatives on an ongoing basis.

For CSOs to take on these augmented challenges, the broader regulatory and governance environment needs to be reviewed. Just as the private sector needs a supportive enabling environment to thrive, civil society does too. This includes regulatory policies, program requirements, legal and tax measures, and funding and accountability mechanisms. Canada’s policies and regulations with respect to charities and non-profits are out-of-date and out-of-step with other advanced economies, such as those of the UK and US. Too often, CSOs are over-stretched by burdensome administrative processes, which make it difficult to deliver on planning and policy engagement, or investing in innovation. The 2015 Canadian Government ‘Civil Society Partnership Policy’ offers a good starting point in recognizing that it is essential to “ensure that CSOs can function effectively and independently in ways that complement the efforts of governments, the private sectors and multilateral organizations.” The next step should be to take a systematic look at the broader enabling environment.

Crucially, civil society also includes a small number of high net worth individuals who have the capacity to provide risk capital and support foundations that promote new solutions where markets and governments have not yet done so. This can be through innovations in technology, research or organizational design. Many observers have critiqued Canada’s non-governmental sector for being too dependent on government financial support and not mobilizing enough private contributions. This debate flared up, for example, when the North-South Institute (NSI) closed in 2014 due to financing challenges, even with a budget of only $2.3 million per year (in 2012). It is noteworthy that no private philanthropists stepped in to fund NSI. Of a total of approximately $1.7 billion granted annually by Canadian foundations, only 6 per cent goes to international projects, roughly $100 million per year. This is disproportionately small compared to the US experience, where Giving USA reports that total foundation giving was nearly US $54 billion in 2014 and the Hudson Institute estimates that approximately 9 per cent was for economic engagement with developing countries. As one metric of the potential for philanthropic leadership, Forbes indicates that Canada has 39 billionaires. A variety of prominent philanthropists have made major donations to universities and think tanks, but very few have expressed public interest in GSD issues, and none have established large-scale foundations that could help drive the long-term ecosystem. The Skoll Foundation is a positive example of a Canadian philanthropist giving for GSD, although that foundation is based in California and considered a U.S.-based philanthropy. The MasterCard
Foundation, with annual program expenditures of roughly $200 million, is a Canada-based exception. However, it is funded by a foreign corporate entity rather than a Canadian one, and focuses on supporting global actors. There is a clear opportunity for private Canadian philanthropists to contribute to meaningful innovations in the national GSD ecosystem. For this to happen, it is critical that the regulatory and policy environment facilitates, rather than hinders, these investments.

D. Canadian government – at all levels

Many parts and levels of government in Canada contribute to the Canadian GSD ecosystem. Foreign ministries naturally jump to mind when thinking of any government’s role in the world, but the reality is that a broad range of public entities – covering policy areas such as health, education, transport infrastructure, taxation and financial sector regulation – shape how Canadians engage internationally and often represent Canada’s interests.

Canada’s different layers of government share a complex blend of formal GSD-relevant responsibilities:

- The federal government includes a wide range of relevant entities, starting with the Department of Foreign Affairs, Trade and Development. It also includes entities ranging from Health Canada (global health coordination) to Finance Canada (international economy and financial institutions), Environment Canada (climate and environment lead), the Department of National Defence (security and peace), the Office of the Superintendent of Financial Institutions (global coordination of banking and financial sector regulation), and national research and granting councils (public goods of knowledge), to name just a few.

- Provincial governments play a significant role too. In addition to organizing trade missions, provinces play a pivotal role in setting the regulatory ground rules for Canadian business operations around the world. This includes bond and stock markets, corporate reporting requirements, workforce standards and many environmental benchmarks. Provinces play central roles on fiscal issues too, including frontline global challenges like carbon pricing and infrastructure. Crucially, they also have direct oversight of Canada’s...
universities and colleges. Provincial government decisions affect everything from the opportunities for faculty recruitment to the evolution of student degree programs to the creation of academic centres of expertise.

Municipal governments tend to have less of a formal role in GSD but often more of a direct interface with local Canadian actors. This allows them to support innovation strategies at the level of individual industries and organizations. In some cases, they are well positioned to support peer learning among increasingly influential municipal governments around the world, or technical assistance in developing countries, as the Federation of Canadian Municipalities has facilitated. They can also be well suited to play a global ambassadorial role. In China, for example, mayors are extremely influential and Canadian counterparts achieve direct entrée.

The federal government has a special responsibility to represent Canada in global affairs and to lead coordination and coherence across policy fields and levels of government. “Whole of government” approaches are especially pertinent in promoting conflict prevention, stabilization, security and development across fragile states and spaces. Moreover, it would not make sense if Canada’s development efforts were helping countries grow local firms and tap global value chains and export markets if Canada’s trade policies were limiting access to supply chains and Canadian markets. The best available empirical proxy for policy coherence for development is the Center for Global Development’s Commitment to Development Index, which ranks countries based on their overall policies toward poor countries. Canada ranks among the bottom half of countries on the index, roughly the same as Belgium and Spain. Other countries, such as Denmark and Sweden, have shown that policy coherence for development can be achieved and are rated best in class, a result of having a clear policy framework, along with monitoring and reporting.

The federal government also has a special role in convening international partnership strategies spanning public, private and non-profit actors. For example, Canada has been a lead player in the UN’s Every Woman Every Child initiative, a global coalition focused on the MDGs for child, newborn and maternal health. Similarly, Canada has been a significant contributor to the Extractive Industries Transparency Initiative which promotes a global standard for open and accountable management of natural resources.

Finally, the federal government has unique financial tools at its disposal. We intentionally raise this topic last, not because it is least important, but because it is often the least well understood. Indeed, the nature, quality and even volume of Canada’s development finance will to a large extent be guided by the other aforementioned elements of the GSD ecosystem. There is no sense in allocating significant resources in the absence of commensurate strategic sophistication to guide their use. At the same time, a mid-sized economy like Canada needs to ensure it is making the most of all of its development financing tools. In summary these include:

- Official development assistance (ODA) grants, or “aid,” to support (i) investments in basic services like health, education and agriculture, (ii) capacity-building for the institutions of participatory democracy, inclusive good governance and market economies, and (iii) humanitarian emergencies;

- Advance market commitments toward future outcomes can incentivize market actors to develop new technologies, as has successfully happened with the global effort to stimulate vaccine research;

- Low-cost borrowing (“non-concessional lending”) – generally via multilateral development banks – and technical assistance to help middle-income countries tackle long-term priorities like infrastructure;

- Debt, equity and risk-mitigating instruments to help unlock barriers to private investment, as will be deployed through Canada’s new development finance initiative.

On the ODA side of the ledger, the Quality of ODA assessment evaluates donor aid system performance, as published jointly by the Brookings Institution and the Center for Global Development. It ranks Canada highly...
among donor agencies in transparency (1st out of 30 bilateral donors), based on the detailed project descriptions provided to the OECD’s common donor tracking system. Canada rates in the middle of the pack for maximizing efficiency (11th) and fostering institutions (12th). It ranks poorly in the category measuring burdens placed on developing countries themselves (21st), based especially on a lack of coordinated missions to developing countries and small median project size, which results in high administrative burdens for recipients.¹⁶

At the same time, many commentators have expressed concern that Canada’s ODA budget has been in decline and was only 0.24 per cent of national income in 2014, well below the average of 0.47 per cent for 21 comparable OECD countries (Figure 7). While we share concern around the need for adequate investments, we stress that there is no discernible partisanship in Canada’s long-term ODA trends, a point also stressed by Robert Greenhill and Meg McQuillan in their recent study. Figure 7 shows that for every year from 1970 to 1994 ODA was more than 0.4 per cent of GNI, regardless of what political party was in government. Amid the domestic fiscal consolidation of the mid-1990s, Canada fell below the average OECD country effort, sliding down to a low point of 0.22 per cent in 2001. In subsequent years, budgets have generally held steady between a quarter and a third of a per cent of national income.

The non-partisan, generational aspect of ODA levels is important when considering the example of the United Kingdom. That country has had a similarly non-partisan trend over time. In the late 1990s it was in a similar position to Canada, across party lines. But then it engaged

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FIGURE 7

ODA as Share of Gross National Income: Canada, UK, comparator OECD donors

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Note: “21 Country Average” is the unweighted average among the 21 OECD DAC member countries as of the period midpoint in 1992. This represents the typical national effort and is different from the “DAC average” commonly reported by the OECD, which is the weighted average among all OECD DAC member countries (currently 29 members and 0.29 per cent in 2014). Source: Organisation for Economic Co-Operation and Development. 2015. “Creditor Reporting System.” Paris: OECD.
in a new generational direction. As of 2013, a Conservative-led U.K. government has followed through on a Labour-led government’s promise to reach the international target of 0.7 per cent of national income for global development investments. There is room for conjecture, but it appears the UK’s societal decision to increase investments can only be explained by understanding the active role of its ecosystem in assessing and building broad support for the “business case” as to why GSD investments are so important to the UK’s future.

**E. Summing up on the Ecosystem**

One major implication of an ecosystem lens is that it prompts a transition from singular legacy debates about “Canada’s role in the world” to more sophisticated questions of “Canadians’ roles in the world.” A thriving network of Canadian efforts—where diverse stakeholders are motivated, engaged and interacting—is essential for tackling the opportunities and challenges ahead. Moreover, the new global challenges are substantively interdependent too: economy and environment, inclusion and growth, governance and security. Therefore, Canadians’ ability to contribute will increasingly depend not only on the strength of individual sectors but also on their ability to work together.

This will represent a new course. Up to now, engagement on global development in Canada has been largely confined to traditional actors, with a limited number of cross-sector partnerships. There are important exceptions, of course, such as the Zinc Alliance for Child Health, in which Teck Resources Ltd and The Micronutrient Initiative have joined forces. The multi-sectoral coalition around Canada’s G8 maternal, newborn and child (MNCH) priority also illustrates how connectivity and capacity can be built across researchers, practitioners, policy-makers and the private sector. That coalition now includes 80 organizations and encompasses researchers and practitioners from leading medical communities, NGOs active in building health systems and delivering health services, policy-makers and foundations. It exemplifies how ecosystem approaches can multiply impact and strengthen Canadian global leadership.

Canada’s MNCH effort mirrors the global network that emerged under the UN strategy for “Every Woman, Every Child.” Both drew upon rich health partnerships and research that had materialized around the health MDGs. They leveraged the MDGs to focus attention, create a shared action plan, and develop common metrics, information systems and learning platforms.

But, overall, most Canadian stakeholders continue to operate in isolation. Sometimes there is a lack of basic familiarity of other stakeholder groups, and no natural points of connection. There are also cultural divides, with few bridges and connectors pulling sectors together. For successful partnerships and self-sustaining ecosystems in Canada, there needs to be a conducive environment. Enabling policies and leadership are crucially important. Sometimes financial incentives or seed money are needed to kick-start networks. Mindsets matter too. People need to want to work together and have the skills to do so. It often only takes a few people to lead and catalyze a network, and success breeds success.
V. RECOMMENDATIONS

SIGNIFICANT CHANGE is required if Canada is to satisfy the strategic imperatives of advancing its interests and carrying its weight in solving global challenges. A handful of mid-sized advanced economies – such as the Netherlands, Norway, Sweden and the United Kingdom – provide helpful reference for how the academic, business, civil society and government sectors can interact to develop a strong ecosystem. None of these countries forms a perfect reference point. But they all show that robust ecosystems are achievable and productive.

No single silver bullet will drive outcomes. The skills, resources, incentives and connections need to be fostered across the ecosystem. We offer eight key recommendations. Some are presented with more granularity than others. They are proposed with the intention of infusing capacity, connectivity and energy so that the coming generation of Canadians can jump to a higher plane of global relevance and impact.

Within the recommendations, we intentionally do not map out the details of exactly who would need to do what by when. This is because each member of the ecosystem will have its own views on how best to achieve the recommended outcomes, and we greatly prefer for those actors to craft their own path to such common cause. And we underscore again that the recommendations do not offer suggestions for immediate term questions like federal budgets, ministry design, thematic or geographic areas of focus or even global imperatives like climate change. Instead we emphasize building the system-wide ingredients that, over time, will enable Canadians to develop their own best answers to such questions.

1. Getting Connected to Get Started

We recommend that all sectors with a stake in GSD take action to bring together members of the pan-Canadian ecosystem, with a new Global Sustainable Development Forum as a central catalyst.

The Canadian global development ecosystem will not be built into a high-performing whole in one fell swoop. This process has to begin by nurturing bottom-up conversations, common agendas, and network capacity across multiple sectors. Individual stakeholder groups including governments, business, civil society and researchers need to break down barriers to sharing information and find new ways to collaborate. Governments at all levels have a particularly important role to play in helping to establish the enabling conditions that will allow others to optimize their contributions and combine their efforts. But more concerted efforts will be needed if Canadians collectively are to catch up to our global peers. We recommend three courses of action to boost the Canadian global development ecosystem and Canada’s ability to contribute to global efforts.

(a) Connecting with the Global Agenda. Canada should seize the window of opportunity presented by the new Sustainable Development Goals by hosting a Global Sustainable Development Forum in the lead up to the UN’s annual High Level Political Forums in New York. The event would be multi-sectoral, multi-stakeholder and multi-generational in its nature. It could regularly convene, on “neutral ground”, global political, scientific, practitioner and civil society leaders to discuss frontier global issues requiring innovative ideas and collaborative solutions. For Canadians, this forum would serve three strategic objectives. First, it would allow Canada to carve out a distinctive role shaping the 2015-2030 global agenda. Second, it would elevate the profile and nature of sustainable development deliberations across the country. Third, it would spark cross-sectoral connections toward globally relevant ambitions.

(b) Building networks among Canadian actors. Purpose-built networks should be actively encouraged on issues where a whole-of-Canada effort has the potential to make a distinctive global contribution to specific SDG challenges. Although every issue and partnership is different, the obvious prototype in Canada is the network on maternal, newborn and child health cited earlier, which was built on an innovative and productive blend of private and public leadership, and of researcher and practitioner expertise.

A variety of approaches could be used to mobilize more such networks, including seed funding from foundations, institutional support from governments and crowd-sourced or self-resourced initiatives. For example, the
federal government could launch a competitive challenge in the lead-up to each Global Sustainable Development Forum, such that different communities of interest – for example from the fields of girls’ education, financial services, clean energy, or food security – compete for ecosystem-type support funding and policy attention. The minimum criteria for successful applicants would be, first, a multi-stakeholder coalition spanning major academic, non-profit and private sectors; and, second, a commitment to delivering sustained practical results.

Where else does Canada have the potential to build networks of adequate scale and significance to make a distinctive contribution? Illustrative examples include:

- agriculture and food security, on which a number of Canadian universities have centres of excellence, Canada’s cooperative sector has deep expertise, and the development community has an extensive track record and strong networks [Goal 2];
- other areas of public health and nutrition, such as immunization or non-communicable diseases, where Canada has world class researchers [Goal 3];
- gender equality and women’s economic empowerment, where the Canadian government and CSOs have a longstanding track record that can be scaled up, and where Canadian legislation, policy and best practice can be shared [Goal 5];
- financial services, whether focused on the “unbanked” poor around the world, or on helping developing economies build and regulate sound financial systems, is an area where Canada has a world-leading combination of financial service entities, regulatory bodies, advisory services (like the Toronto Centre), and on-the-ground experience in building credit, insurance and savings instruments [Goal 8];
- skills for employment, a priority jobs issue in most low- and middle-income countries around the world, and one on which Canada’s colleges and institutes have a proven track record in public-private partnerships and the delivery of market-relevant skills training [Goal 8];
- natural resource management, whether in extractives, forestry and fisheries, or other areas like land and water management, given our deep expertise at all levels of government, extensive corporate sector (small and large firms), and active CSO engagement [Goal 12];
- conflict prevention, stabilization and development in fragile spaces, on which Canada has proven whole-of-government approaches in areas such as security sector reform and Canadian CSOs have extensive experience [Goal 16].

Note that our intent here is not to recommend specific priorities for collective Canadian action but only to illustrate that Canada has tremendous potential to make significant contributions to the next generation of global development goals, by marshalling its resources from across the private, civil society, public and research communities. (c) Connecting professionals and students. Building the connective tissue across different sectors requires deliberate steps at the level of individual workers and organizations. To that end, the global forum in Canada could be used to help launch exchanges of personnel and temporary assignments between private, public and not-for-profit sectors and structured opportunities for researchers and practitioners to work together. It could link to joint learning programs, such as business school offerings on social impact investing, and volunteering opportunities such as those organized by WUSC and CECI through their “Leave for Change” initiative. It could also bring students and youth from all parts of Canada together, in person and online, to spawn learning networks and social action groups on GSD issues. The global forum could provide a regular deadline for reporting back on ongoing lessons learned.

2. Establishing the “How” and “How Much” for Canada’s Investment Priorities

We recommend that a multi-generational task force of Canadians from right across the GSD ecosystem – different levels of business, academia, social entrepreneurs, government, media and civil society – work together over the next 12 months to identify the right mix and scale of investments, of time and money, that will be required to advance Canada’s strategic interests in GSD and to position Canada to make a dis-
inctive contribution to the achievement of the Sustainable Development Goals for 2030.

This paper has described how Canada’s public and private investment in GSD trails that of our peers, whether compared by prioritization, public debate, or financing. We have also set out a clear strategic rationale for why Canada’s own interests demand a sharp increase in our shared commitment to GSD. The next step is for Canadians collectively to identify and commit to a clear and compelling strategic rationale to guide resourcing across public and private sectors. Whereas Recommendation #1 above aims to promote bottom-up connectivity among Canadians and across multiple sectors, particularly where Canada has the potential to lead globally, this recommendation aims to promote a high-level strategic logic to guide Canada’s public and private GSD investment strategies over 5, 10 and 15-year time horizons.

This exercise needs to consider the full mix of GSD investment instruments. On the market side, private financial flows will always be subject to underlying market forces, but policy gaps and incentives could be identified for mobilizing greater investment, trade and capacity-building. Meanwhile public resource levels and composition for GSD ought to be guided by a public business case on what, how and how much Canada should invest in global development. For example, there is no clear rationale guiding Canada’s current ODA levels and composition across instruments. A clear and compelling logic needs to be established to define objective standards for global leadership relative to Canada’s strategic interests and economic.

To that end, we recommend that a high-level task force be launched with distinguished, multi-generational representation from the private sector, academia, civil society and former public officials. It should be mandated to map out scenarios, priorities and strategic rationales for Canada’s investments in global development, both public and private. The task force should be mandated to recommend SDG investment scenarios that are consistent with Canada satisfying its global strategic engagement imperative. The body could either be launched or present its results at an early Global Sustainable Development Forum, as described in Recommendation #1.

The independence of such a task force is crucial. Invitations to join it could be initiated by a consortium of lead-

Canada requires a critical mass of business leaders across key sectors – like agribusiness, extractives, financial services and health care – who are willing to help advance GSD, out of both enlightened self-interest and in support of the public interest.
ers from the federal government, academy, business and civil society, while the project itself could be coordinated by a not-for-profit organization or university. The openness of the task force is also crucial. The group should invite submissions and dialogue from Canadians of all ages and from experts around the world.

3. Building Communities of Applied Research Expertise

We recommend that multiple major Canadian universities establish, by approximately 2018, global centres of expertise focused on the integrated challenges of global sustainable development.

A huge amount of Canada’s GSD success will be determined by its ability to generate thought leadership, ideas and innovations to match the complex global challenges at hand. To that end, Canada needs a scaled up applied research community, comprising a greater number of research leaders, experts and educators who are directly engaged in GSD policy debates, and thereby also better equipped to inform national debates.

Research leaders cannot work in isolation, so an overarching commitment to thought leadership requires fostering a critical mass of world-class experts. Universities play an anchoring role for such expertise, especially when they are able to establish, or partner with, dedicated research centres and institutes. To be sure, a large amount of Canadian expertise resides in research bodies around the world, so part of the challenge is also to foster proactive connections with those experts. But the network anchors are best located within Canada.

To that end, Canada requires multiple major university centres of expertise to advance the ecosystem’s connections between global frontiers of science, learning and practice. The breadth and specialization of each centre should vary, but each should include a commitment to focusing on overarching GSD challenges as a pillar of its effort, and to building links with researchers and practitioners across low-, middle-, and high-income countries. The incremental ingredients for success will vary in each institution, but they might commonly require a handful of world-class faculty as anchor scholars, supported by specially-targeted, and GSD-oriented, International Research Chairs and Canada Research Chairs. Faculty-student interaction is inherently crucial for long-term research and learning, so these centres would benefit from being linked to cutting-edge student degree programs focused on the applied insights required to advance GSD.

To start, three programs across major Canadian universities would foster an appropriate geographic mix of opportunities across the country and a healthy degree of competition between schools. To get off the ground, these centres would require partnership between university leaders, government, national research councils, civil society, practitioners, international organizations and, in some cases, industry and private philanthropists. The International Development Research Centre could play a pivotal role in connecting the relevant entities and building the applied research community.

4. Ensuring Global Education for a Global Generation

We recommend an ambitious “Global Generation” international educational initiative with the goal of ensuring that by 2030, every university graduate completes an overseas learning or work opportunity prior to graduation, with an emphasis on emerging economies.

If the coming generation of Canadians is to thrive and contribute to global challenges in an increasingly complex and competitive world, it needs to be equipped with an education that gets them fully globally connected and culturally aware. Equally, if Canada is to remain globally competitive and maintain influence in the world, it needs a generation of leaders who are globally aware and can reach across borders. As Indira Samarasekera, former President of the University of Alberta has stated, “Nothing better prepares a student to be a global citizen, and unlocks their potential to change the world, than an international experience.” When Canadian students live and study in other countries, particularly in developing countries, they develop vastly enriched lifelong perspectives. They acquire global networks and deep connections with individuals and institutions. And they are exposed to new ideas, new ways of doing things, and new ways at looking at issues.

Most universities and colleges in Canada offer inter-
national academic mobility opportunities. Some have led the way by offering study abroad grants to all incoming students. However, the percentage of Canadian undergraduates that study abroad each year has remained flat, at 3 per cent, for almost a decade and Canada is falling behind its peers and competitors. Ambitious targets for outbound international education are needed country-wide. Starting with the current baseline of 3 per cent of undergraduate students annually working or studying abroad, that figure needs to be tripled by 2020, and then again by 2025. These targets will no doubt be viewed by some people as unrealistic. It is our view, however, that outbound educational mobility should no longer be viewed as a frill for a few but rather as an imperative for all. Special efforts will be needed to create opportunities for Canadian students to study and work in developing and emerging economies and to recruit more top students from those countries to study in Canada.

In launching an ambitious outbound international education program, Canada would be well placed to learn from other countries where international exchange is increasingly the norm. Germany is aiming to increase the share of students studying outside the country from 30 per cent to 50 per cent. Australia has its New Colombo Plan to promote undergraduate study, work and language training throughout the Indo-Pacific region. The United States is investing in international education exchanges with its new 100,000 Strong China and 100,000 Strong in the Americas initiatives, which aim to foster intensified exchanges with those respective regions.

5. Forging a Business Leadership Alliance

We recommend that a group of Canadian business CEOs join together to establish a Canadian Business Alliance for Global Sustainable Development.

Canada requires a critical mass of business leaders across key sectors – like agribusiness, extractives, financial services and health care – who are willing to help advance GSD, out of both enlightened self-interest and in support of the public interest. An alliance of forward-looking corporate executives could play a crucial role in fostering norms across Canadian firms, championing investment and trade with developing economies, while advocating for Canadian public priorities around the world. It could also help to foster more direct connections with global institutions like the World Economic Forum, the UN Global Compact and the World Business Council on Sustainable Development.

The Swedish Leadership for Sustainable Development network provides a useful reference point in this regard. It brings together the CEOs of more than 20 global Swedish companies (like Ericsson, H&M and Volvo), three expert organizations plus the Swedish International Development Cooperation Agency. All of these leaders have pledged to make sustainable development an integral part of their core operations and business models by minimizing negative environmental impacts, maximizing energy efficiency, promoting decent jobs and fighting unethical business methods.

The U.S. Global Leadership Coalition provides another model, bringing together more than 400 influential business, NGO, national security and academic leaders who share a common commitment to advocating for a robust U.S. international affairs budget. Its bipartisan advisory councils are led by eminent former diplomatic and military leaders, while the core entities are co-chaired jointly by senior business and NGO representatives.

There are a host of vibrant, existing organizations in Canada that could take ownership of this agenda. The Canadian Council of Chief Executives already convenes the CEOs of 150 of the largest Canadian firms and has a talented staff engaged in research and advocacy. The Global Compact Network Canada was launched in 2013 as the 101st local network of the UN Global Compact. It supports domestic firms to implement the transnational network’s 10 guiding principles. Global Canada is a newer initiative that aims to promote Canada’s multi-stakeholder engagement with the world.

A Canadian business alliance’s early acts could include some very practical tasks, such as:

- convening leading business executives, policymakers and thought leaders to identify how Canadian workers and investors can best promote mutually beneficial connections with global value chains and developing country actors, including through policy and regulatory change.
If the coming generation of Canadians is to thrive and contribute to global challenges in an increasingly complex and competitive world, it needs to be equipped with an education that gets them fully globally connected and culturally aware.

... convening industry executives, investors, provincial regulators and accounting professionals to establish an objective set of metrics for benchmarking firms’ consistency with sustainable development within and across industries, such as the disclosure of environmental, social and governance issues in investment processes. It could partner with the Sustainability Accounting Standards Board and other relevant global bodies, including the International Organization of Securities Commissions.

6. Mobilizing Canadian Philanthropy to Tackle Global Challenges

We recommend that at least three Canadian philanthropic foundations be established to focus on advancing global sustainable development, at an investment level of at least $50 million per year.

Canadian philanthropic investment in GSD would not only result in direct global impact, but it could also catalyze change within Canada in the ways that other elements of the national ecosystem, in particular civil society and the private sector, engage with the global frontier. Any number of Canada’s high net worth individuals could create a foundation attracting highly skilled staff that have already been engaged in other parts of the ecosystem, and could have significant global impact. A $1 billion endowment, paid out at 5 per cent per year, implies $50 million in annual grants. Only a small number of Canada’s 39 billionaires would need to meet the “The Giving Pledge” of committing half their wealth in order to make this possible.

However, funding is only one part of the equation. There are important regulatory, legal and administrative issues that constrain Canadian charities and foundations from “going global” and it will require considerable effort and dedicated policy work to address them. The federal and provincial governments should ensure that any regulatory or legal impediments to the creation and smooth functioning of such institutional philanthropies are addressed.

In order to create an environment in which such foundations can take shape, working with organizations such as the Philanthropic Foundations of Canada, data need to first be updated on which foundations have ventured into...
global development fields, and which are considering doing so. Case studies of those who have some experience already in this field can be compiled and lessons drawn as to what challenges they have faced and what has facilitated their work in GSD. Examples from philanthropists in the US, such as the Bill and Melinda Gates Foundation and the Skoll Foundation, as well as the experience of the MasterCard Foundation in Canada can be used to inform ways forward. A challenge of sorts could then be launched to invite philanthropists to consider setting up international development foundations, while seriously addressing some of the challenges in the environment to facilitate the process.

7. Fostering Civil Society Innovation and Leadership

We recommend that Canadian civil society organizations launch two new, complementary initiatives: the GSD Innovation Hub and a High-Level CSO “Enabling Environment” Review.

In order to be fit for purpose in the new GSD landscape, Canadian civil society needs to reimagine and rearticulate its role and value proposition in Canada and globally. This should involve moving beyond a focus on project implementation and direct service delivery in developing countries to prioritising universal and trans-boundary challenges and influencing a broader set of “beyond aid” policies through enhanced research, policy and advocacy work. It should involve building the capacity of civil society organizations in developing countries and strengthening their role as key tenets of vibrant societies. It should see Canadian CSOs doing more to mobilize Canadians’ strong support for global development. Delivering on these ambitions requires greater innovation and thought leadership and demands that Canadian CSOs work in more entrepreneurial ways, build and retain skills and talent in new areas and foster new partnerships with all levels of government, businesses and the knowledge sector.

We recommend two complementary initiatives, designed to help Canadian civil society contribute at the highest levels of GSD innovation, partnerships and policy. These would both be driven by civil society but should include the participation of leaders from multiple sectors.

First, to spur innovation, we recommend the creation of a civil society-led GSD Innovation Hub. While not-for-profit in nature, it could be modeled after the successful MaRS Discovery District and the nimble and responsive operations of private sector start-up incubators. It would have a small, skilled staff, be located where it can best harness expertise across sectors and stakeholders but be pan-Canadian in scope. The hub would bring CSOs together with entrepreneurs, researchers, social impact investors and communicators to develop the new skills and broker the new partnerships required to innovate in the changed GSD landscape. This would include testing new ways of solving development challenges, launching new and better ways to reach out on GSD to Canadians across the country, finding more effective ways to influence Canadian and global decision makers and harnessing new forms of development finance.

The hub would also provide a physical space for ‘match-making’ between different stakeholders, provide fit-for-purpose support to CSOs in areas where they need to upskill or reskill through training programs, mentoring opportunities, workshops and online resources, promote and support learning networks in areas of excellence, provide advice on new sources of development finance (for example, impact investing and new sources of philanthropic funding), as well as provide small grants to spur innovation, risk-taking and new types of partnerships. The hub could be funded by civil society and philanthropists alongside the federal government plus provincial and municipal hosts. Public and private investments would be needed to create new pools of capital for civil society innovation and entrepreneurship.

Second, to support Canadian CSOs’ overall effectiveness and their capacity to lead and innovate, we recommend an independent and strategic High-Level CSO Enabling Environment Review. The scope would include regulatory policies, legal and tax measures, funding and accountability mechanisms, and program requirements, seeking to overhaul Canada’s out-of-date policies and bring them in-line with other advanced economies. The Review could be structured along the lines of the independent Blue Ribbon Panel on grants and contributions commissioned by the federal government a decade ago, but its mandate would be broader and cover the full universe of framework and funding policies. It would focus solely on GSD-focused CSOs, although its findings are
likely to have broader applicability. The Review’s lines of inquiry would include: How best to support civil society organizations involved in GSD to be effective, innovative, resilient and sustainable? What legal and regulatory measures are needed in order to enable CSOs to undertake policy research and advocacy work, to encourage increased GSD philanthropy, to build capacity overseas and to explore alternative business models, including engaging in social impact investing with the private sector? The Review’s findings would be shared publicly and form the basis for a Canadian action plan.

For the New Role for the Government of Canada

We recommend that the federal government broaden its role and become a systems architect for Canadian engagement on global sustainable development.

The Government of Canada will always have unique responsibility for advancing Canadians’ interests and values on the world stage and for communicating the salience of global issues to Canadians. In a world of difficult global challenges, government leadership has never been more important. But government can no longer effectively act alone and Canada will always have more impact and influence on GSD if multiple actors and assets are mobilized.

In the context of the new global goals and global agenda, the Government of Canada should see itself as a “systems architect,” responsible for designing an overall approach, coordinating strategic directions, bringing knowledge and know-how to bear, creating the conditions for the new ecology to thrive, and optimizing system-wide solutions.

This role will require the federal government to focus on 7 C’s:

**Capacity:** building deep internal expertise, extensive knowledge networks and world leading skills on GSD policies and partnerships

**Communications:** working with globally engaged Canadians from all sectors to understand and communicate Canada’s stake in global development to Canadians; articulating its priorities and where it feels Canada’s governments, organizations, firms and individuals can make an exceptional contribution

**Convening:** pulling together Canadians from multiple sectors, seeking their input and helping to identify how they can work together to optimize Canada’s GSD influence and impact

**Connectivity:** nurturing connections and pathways across the Canadian ecosystem

**Conditions:** establishing the enabling conditions (e.g. regulations) and instruments (e.g. blended finance) for others to mobilize, partner and innovate

**Catalysts:** investing strategically and at scale to maximize the impact and sustainability of Canada’s wider GSD ecosystem

**Coherence:** ensuring GSD coherence across the full suite of government policies and activities, from tax to trade, financial regulations to environmental policies to agriculture and resource exploitation.

As the ministry with lead responsibility for supporting Canada’s engagement on global development, the Department of Foreign Affairs, Trade and Development has three interconnected challenges: to lead across government, building coherence across sectors (e.g. security and development, environment and development, finance and development, trade and development); to serve as a national thought leader and hub for connections across the Canadian ecosystem; and to position itself as an agenda setter on the global stage, with deep knowledge and expertise on frontier issues.

To succeed in this pivotal role, the department will require world class expertise, anchored for example by a highly-engaged and GSD-focused chief economist and chief scientist, each of whom should be mandated to generate frontier analysis for both internal and external use. The International Development Research Centre will be a critical partner, bringing cutting-edge knowledge and innovation to Canadian discussions of global development and building partnerships with developing country researchers. The ministry will also need the skills and agility to work with a variety of private and civil society partners. A high-level advisory body that draws insights from leaders in business, science, policy research and civil society-based practice would help build the expertise and connectivity the Canadian government and Canadian ecosystem need to succeed.
THIS PAPER IS PRESENTED with an aim of spurring and feeding into a nation-wide conversation. We believe the megatrends of global change require a new mindset for thinking about the coming generation’s increasingly deep interactions with the rest of the world, including the so-called “developing world” that is home to the majority of humanity. It is unhelpful to focus on reclaiming any putative role from a past era. It is only helpful to focus on preparing for the era ahead.

No single action will be enough on its own. A wide-angled lens is required. Leadership investments will be needed at all levels of business, academia, civil society and government. We offer a variety of recommendations that could kick-start a new generation’s national ecosystem. We hope that others will consider and improve upon these ideas with a view to implementing them.

Ultimately, Canada’s success will not only hinge on our ability to engage with global challenges as we see them. It will hinge equally on our ability to engage with challenges as the world sees them – and as the world sees us. We therefore stress the importance of ensuring investments are of adequate scale. The results will be driven by many factors: by the quality of ideas, innovations and knowledge we bring to the global table; by the breadth, quality and engagement of our educational systems and professional networks across the array of countries that are determining the world’s future; by the resources that we invest; and by our ability to shape global outcomes.

Much of the global agenda through to 2030 will be framed by the new global goals for sustainable development. Canadian society was not deeply engaged in the formation of those goals, but it can be deeply engaged in translating their vision into reality. Moving forward, if we can commit to engage from many perspectives, reconciling the world’s ever-evolving complexities with our own ever-evolving needs, then our values and interests will indeed be highly aligned. Canadians can then be rightly – and wisely – proud of their contributions to making a more sustainable, prosperous and just global society.
Endnotes

1. This paper is a collective product of a study group convened by the Centre for International Policy Studies (CIPS) at the University of Ottawa. All members participated solely in their personal capacities. Group members include Margaret Biggs and John W. McArthur (co-chairs), Kate Higgins, David Moloney, Julia Sanchez and Eric Werker. We are grateful to Roland Paris, Director of CIPS, for the opportunity to undertake this collective enterprise and for his leadership and support throughout. We thank Krista Rasmussen and Christine Zhang for excellent research assistance and Isabelle Kirsch of CIPS for helping to facilitate our numerous research meetings and workshops. We also thank the many people who have provided feedback at various stages, including members of other CIPS study groups and participants in a May 2015 roundtable kindly hosted by Aga Khan Foundation Canada. Our thinking and recommendations have benefited enormously from the ideas and critiques we have received from individuals across all sectors of Canadian society.


7. While the U.S. and Australia have more or less doubled their exports of goods and services over the past 10 years, Canada’s have grown by only 40%. Canadian companies that are globally active still tend to be focused in mature markets with low rates of economic growth. (“A Canada that Wins: The National Election Platform of the Canadian Chamber of Commerce.” May 2015; p. 7)


10. WBCSD. “About Page.” URL: http://www.wbcsd.org/about/organization.aspx

11. 40% ranked development and aid as the most important, 37% ranked diplomacy as the most important and 16% ranked defence as the most important. Frank Graves. “A Memo from Citizens of the Near Future to the Leaders of Today.” EKOS Politics. October 28, 2014.


17. Universities Canada, Canada’s Universities in the World: AUCC Internationalization Survey, 2014


19. “Canada’s Global Engagement Challenge”, Canadian Bureau for International Education, Pre-Budget Submission 2014 to the Finance Committee of the...
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