

Cost Estimate of Election Campaign Proposal

Publication date:	2019-10-11
Short title:	Cancelling Increases to the International Assistance Envelope
Description:	Cancel the planned increases to the International Assistance Envelope. Effective the 2020-21 fiscal year.
Operating line(s):	Direct Program Expenses
Data sources:	Increases to Canada's International Assistance Envelope: PBO Economic and Fiscal Baseline Budget 2018; Budget 2019
Estimation and projection method:	<p>Budget 2018 announced additional funding for the International Assistance Envelope of \$2 billion over a five-years (2018-19 to 2022-23). Budget 2019 announced a further top-up of \$700 million in 2023-24.</p> <p>The cost estimate uses the fiscal profile of the International Assistance Envelope commitment published by the Department of Finance in Budgets 2018 and 2019. Beyond Finance Canada's forecast, it is projected forward using the PBO's Electoral Proposal Costing (EPC) baseline (2024-25 to 2029-30). The EPC baseline assumes that the funding will continue after 2023-24 and will grow by nominal GDP.</p>
Uncertainty assessment:	<p>The estimate has moderate uncertainty. The fiscal profile of the International Assistance Envelope commitment from 2020-2021 is assumed to be accurate. Estimates after 2023-24 have high uncertainty as funding has not been announced. The EPC baseline assumes that funding will be maintained and increased with GDP. This may lead to an overestimation of projected program expenses after 2024-25.</p>

Cost of proposed measure

\$ millions	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
Total cost	-	-400	-500	-600	-700	-726	-753	-780	-809	-838

Notes:

Estimates are presented on an accruals basis as would appear in the budget and public accounts.

Positive numbers subtract from the budgetary balance, negative numbers contribute to the budget balance.

"-" = PBO does not expect a financial cost