
STRENGTH IN NUMBERS

Metrics on the international development community in Canada

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October 2013

Executive Summary

In 2011, the Canadian Council for International Co-operation (CCIC) began working to develop a fresh and powerful narrative for the international development community that will help build public and political support for the work we do, and the impact we have, in international development – a story and message that would reaffirm the value of development cooperation (in the broader context of other sources of development financing), its impact on development over the past several decades, and the importance of Canadian civil society organizations (CSOs) in contributing to some of these outcomes.

In response to some work that Imagine Canada had begun doing around defining several metrics for the charitable sector in Canada, and to support the work that CCIC had begun around this narrative, in early 2012 CCIC allocated some resources from its reserves to begin to identify some key metrics for the development and humanitarian community - different numbers that give a better sense of who we are. It was felt that this information could help demonstrate the importance of the international development community in Canada and revamp the way we talk with the public about ourselves and our work.

The research in this report develops metrics for the international development community by drawing on data available in the T3010s, which all registered charities are required to provide to the Canada Revenue Agency (CRA), and in particular on the information included in “activity” and “category” indicators. T3010s include information on all charities’ finances, revenues, expenditures, and activities abroad. When charities apply for charitable status, they also have to indicate what activities they currently perform and demonstrate that these activities are charitable in nature. Charities are expected to update this information each year if it changes. This information is submitted through what is known as the “Basic Information Sheet” (the TF 725). As part of their “Basic Information Sheet”, charities must indicate their areas of activities. This would include whether they are involved in “international aid and development” work, as defined by the CRA.

Drawing on this information for 2011, allowed the researcher to identify the scope and size of the international development community in Canada and various metrics for organizations with both a primary and secondary focus on activities in “aid and international development”. The research further disaggregates some of these numbers in terms of the collective memberships in the Canadian Council for International Co-operation and the Provincial and Regional Councils. Finally it looks at the countries where registered charities are operating. The report ends with some conclusions and identifies areas of future research.

Key findings

- **At 2400, the number of organizations working on international development is substantial.**
 - In 2011, 2361 charities indicated to CRA that they do work in program activities that included “international aid and development”. For 57 % of these organizations (or 1357 charities), “international aid and development” is the primary focus of their work (that is, it constitutes at least 50% of their activities), compared to 43 % (or 1004 charities) for who is a secondary focus (that is, less than 50% of their activities).

- **Collectively these organizations generate \$3.9 billion in revenue.**
 - In total, charities working in international aid and development reported \$3.9 billion in revenue, \$3.6 billion in direct expenditures, and \$300 million in transfers to other organizations.
 - Those with a primary focus on international aid and development reported a total revenue of \$2.9 billion, while those with a secondary focus on international aid and development reported a total revenue of \$960 million.

- **A small portion of these organizations (47 organizations or 2 %) generate the majority of revenue (73%).**
 - Two (2) % of organizations in Canada with a primary and secondary focus on “international aid and development” (or 47 organizations) and that have budgets of over \$10 million, account for about 73% of total revenue generated in the sector; while the 12% of organizations (or 296) with more than \$1 million in revenue represent 92% of the total revenue generated. In contrast, the remaining 2000+ organizations with revenues under \$1 million represented only 8% of total revenue.

- **The largest source of finance for “aid and development organizations is tax receipted gifts (\$1.3 billion) followed by government support (\$500 million).**
 - Charities that did work in international aid and development (primary and secondary focus) reported a total of \$1.2 billion in tax-receipted gifts, \$502 million from the federal government (\$326 million of which was from CIDA), \$482 million from provincial governments, \$450 million from outside of Canada, and \$357 million in gifts received from other charities.

- **There are notable differences in the sources of funding between those with a “primary” focus on “international aid and development” and those with a “secondary” focus.**
 - The largest sources of revenue for those with a primary focus on international aid and development were tax-receipted gifts (\$1.07 billion), revenue from outside of Canada (\$420 million), revenue from the federal government (\$413 million), and revenue received from other charities (\$289 million);
 - The largest sources of revenues for those with a secondary focus on international aid and development were the provincial government (\$268 million), followed by tax-receipted gifts (\$213 million), revenue from the federal government (\$89 million), and revenue received from other charities (\$86 million);
 - Revenue from CIDA represented on average 10% of total revenue for organizations with a primary focus on international aid and development and 4% of total revenue for organizations with a secondary focus on international aid and development.

- **There are also substantial differences in terms of the proportion of revenue spent outside of Canada by organizations with a “primary” or “secondary” focus.**
 - Charities with a primary focus on international aid and development spent about two-thirds (65%) of their expenditures outside of Canada. In comparison, those with a secondary focus on international aid and development only spent about 18% of their money outside of Canada. This is because many of the organizations that have a secondary focus on international aid and development also have significant domestic charitable purposes (for example, the Red Cross). Charities with a primary focus on international aid and development spent almost \$1.77 billion outside of Canada, excluding gifts to qualified donees in 2011, while those with a secondary focus spent \$156 million.

- **International development organizations employ a substantial number of Canadians.**
 - Charities working in international aid and development employed 14,429 full-time employees and 31,991 part-time employees.

- **Canadian organizations are active in countless countries, but highly concentrated in a few.**
 - Canadian organizations are numerous countries. The countries where registered charities are most active are Haiti, India, Kenya, Uganda, and Guatemala.

- **How country listings are tracked by CRA is imperfect and could be improved.**
 - Charities operating internationally have to “identify the countries where the charity itself carried on programs or provided any of its resources” to the Charities Directorate of the Canada Revenue Agency. Unfortunately, the list of country codes that the CRA requires charities to use to specify their areas of operation is not comprehensive and so some countries are not listed. In its next review, the CRA should consider addressing this shortcoming.

Council membership

- **Just over 50% of the members of CCIC and the Provincial and Regional Councils are registered charities.**
 - Overall, out of 477 current members of the National, Provincial or Regional Councils, 257 are registered charities, excluding colleges and universities, although not all of these charities had a primary focus on international aid and development.
- **A very small portion (8%) of organizations working in “international aid and development” are members of the Councils, but they represent the majority of revenue generated (74%).**
 - Of the 257 registered charities that are members of either the national or any of the provincial / regional councils for international co-operation, 198 (of 2361, or 8% of the total number of organizations) had a primary or secondary focus on “international aid and development”.
 - 12% (or 167 organizations) of those in the category with a primary focus on international aid and development were members of any of the national or provincial / regional councils, and 3% (or 31) of those in the category with a secondary focus were members;
 - That said council members represent a huge portion of the total revenue (74% or \$2.18 billion) of those with a primary focus on international aid and development and a smaller share of total revenue (11% or \$105 million) for those with a secondary focus.

International Development is an important and under recognized part of the Canadian charitable sector. This report provides a first step at quantifying the full scope of charities involved in international development and sheds light on the thousands of Canadian charities working to make change around the world.