

“My government will not cut foreign aid.”

**Submission by Cooperation Canada to the
Pre-Budget Consultations in Advance of the
Fall 2025 Budget**



[Cooperation Canada](#) is Canada’s national, independent coalition for Canadian civil society organizations working in international development and humanitarian assistance. With over 100 members, we work alongside our members and partners, in Canada and around the globe, for a fairer, safer, and more sustainable world for all.

Recommendation for Fall Budget 2025

Recommendation: Maintain and protect Canada’s Official Development Assistance (ODA) at \$10.6 billion as a strategic investment in global stability and prosperity

We call on Canada to safeguard and protect its Official Development Assistance (ODA) at no less than **\$10.6 billion** for the 2025-26 fiscal year. The latest Statistical Report on International Assistance (2023-24) pegged Canada’s ODA at \$10.2 billion.¹ Adjusting for a modest 2% inflation per year over two years, **\$10.6 billion** for budget 2025-26 preserves Canada’s ability to sustain its global impact. Locking in this baseline is a smart, strategic investment that ensures Canada can meet urgent global needs, uphold its international commitments, and protect its long-term interests.

Principled Leadership in a Time of Crisis

Humanitarian needs are at their highest recorded levels. In 2024, over 300 million people required urgent humanitarian assistance, yet only 43% of global humanitarian appeals were funded.ⁱⁱ Crises like those in Ukraine, Gaza, Sudan, and the Sahel are compounded by intensifying climate shocks and deepening inequalities. Simultaneously, civic space is shrinking globally, with civil society organizations, human rights defenders, and independent media facing mounting repression.ⁱⁱⁱ

This global instability is exacerbated by a troubling trend: major ODA donors are retreating from their international commitments. In fact, the OECD Development Assistance Committee (DAC) projects a 9% to 17% drop in ODA in 2025, further proving that allocations from key traditional donors have stagnated or declined, placing global development efforts under acute strain.^{iv}

Geopolitical competition, rising authoritarianism, and inward-focused economic policies are weakening global cooperation mechanisms. The result is a fragmented international response at a time when collective action is most needed. Against this backdrop, Canada's leadership—rooted in solidarity, human rights, and recognition that global stability directly impacts our own security and prosperity—is as critical as ever.

The 2025 Mandate Letter underscores Canada's responsibility to uphold the rule of law, protect democratic institutions, and strengthen global security partnerships.^v It also highlights the importance of securing Canada's borders—an objective that begins with addressing the root causes of conflict before they reach our shores. ODA is a frontline tool for this, responding to instability, inequality, and forced displacement. The Global Peace Index shows that investments in human development and governance reduce conflict risks,^{vi} and research finds conflict prevention can be up to 60 times more cost-effective than military intervention.^{vii} To meet its mandate, Canada must pair defence investments with ODA that tackles the drivers of conflict, supports lasting peace and strengthens security partnerships.

ODA is also a powerful catalyst for trade diversification and economic opportunity. By fostering stable markets, strengthening governance and institutions, and supporting inclusive development, Canada's international assistance supports the conditions for mutual prosperity, including for Canadian businesses to expand and thrive. Studies have demonstrated that the average return on a dollar of net ODA is \$1.19 in Canadian exports, as an unintended positive side effect.^{viii} This has proven to be the case in other DAC countries as well.^{ix} Indeed, maintaining assistance at certain levels can elevate living standards and contribute to macroeconomic impacts like higher investment, improved productivity, and economic growth, ultimately increasing demand, including for exports from donor countries. As Canada seeks to deepen partnerships with reliable allies and diversify its trade relationships — as emphasized in the 2025 Mandate Letter — ODA becomes a strategic tool for opening doors in emerging markets beyond Europe and North America.

Canada has a proud tradition of principled global engagement and ODA remains one of Canada's most effective tools for promoting global stability, resilience, and prosperity. While this document sheds light on the added benefits to Canada, the core aim of ODA should remain the moral and humanitarian imperative of poverty eradication in the Global South. ODA's contributions to security and prosperity for Canadians is a complementary addition for a win-win outcome. Indeed, protecting it is not charity; it is a strategic investment in peace and security, trade expansion and diversification, and global diplomatic influence.

As Prime Minister Mark Carney affirmed, “My government will not cut foreign aid.”^{xi}

Randeep Sarai, Secretary of State for International Development, echoed this view by emphasizing that “there is value to our leadership in this space” and highlighting the importance of cutting red tape and increasing the visibility of Canada’s development efforts in a challenging global environment.^{xii xiii}

With Canada committed to its engagement in the international assistance space, we call on Canada to keep its promise for the fall Budget 2025:

Recommendation: Maintain and protect Canada’s Official Development Assistance (ODA) at \$10.6 billion as a strategic investment in global stability and prosperity

Given the current fiscal constraints and uncertainty facing the government, our collective recommendation for the upcoming budget is to safeguard ODA at **\$10.6 billion**. This does not represent an increase but rather a safeguard – indexed for inflation at 2% from 2023-24 levels – of Canada’s global engagement at a time of heightened global instability.

Just as the government has announced a significant increase in national defence, strengthening Canada’s leadership in international development cooperation is indispensable to a coherent foreign policy. International assistance is a crucial pillar of Canada’s foreign policy and a key instrument in advancing our interests on the global stage. Investments in international assistance complement defence spending by addressing the root causes of instability before they escalate into security threats.

In an era marked by record global humanitarian needs, increasing poverty and widening inequalities, a roll-back on women and girls’ rights, shrinking civic space, intensifying conflicts and climatic vulnerabilities, and a volatile geopolitical environment, this **\$10.6 billion** is a baseline to address global needs and safeguard Canada’s role in the world. ODA is a key vehicle for demonstrating Canada’s commitment to global stability, maintaining and strengthening trust with the Global South, and reinforcing its role as a champion of human rights and gender equality in an increasingly hostile and regressive geopolitical landscape.

Enabling Measures for Maximum Impact

To maximize the impact of safeguarded ODA, Canada should ensure coherence between its regional strategies and implement a series of targeted measures that align with its broader foreign policy goals and enhance the effectiveness of its international assistance.

A critical issue requiring urgent attention is the growing share of Canada’s ODA being spent domestically. In 2023-24, approximately 30% of Canada’s ODA was spent within Canadian borders, nearly a quarter more than was allocated to Sub-Saharan Africa.^{xiv} To maximize impact, Canada must refocus its ODA on its original purpose: poverty eradication in the Global South. This means prioritizing investments in programs that support poverty reduction and address inequalities in low- and middle-

income countries.

1. **Canada should strengthen its principled humanitarian assistance** by providing predictable, multi-year funding that empowers both local and international actors. Flexible funding models and anticipatory financing mechanisms, such as those triggered by early warning systems for crises, will enable faster, more coordinated responses that mitigate humanitarian disasters before they escalate.
2. **Canada should prioritize defending civic space and human rights** by establishing rapid response funding for civil society organizations, human rights defenders, and independent media operating under threat. Civic space is under increasing pressure worldwide. Supporting agile partnerships with local organizations, especially those led by women, youth, and 2SLGBTQI+ communities, ensures that Canada's development efforts promote inclusive governance and counter authoritarian repression.
3. **Canada should reaffirm its commitment to gender equality and inclusive development.** This requires investing in initiatives that promote gender equality, social inclusion, and human rights across all sectors of international assistance. By supporting locally led development and centering rights-based, inclusive approaches, Canada strengthens its leadership in feminist foreign policy and counters the rise of anti-rights movements worldwide.
4. **Canada should contribute its fair share to international climate finance** goals for the upcoming post-2025 climate finance replenishment. Canada's climate finance commitments – contribution to a global public good – must be new and additional, ensuring that funds intended for other development goals are not compromised. Provision of high-quality financing for climate adaptation, mitigation, and loss and damage in the Global South are crucial to address the climate crisis and for building long-term global stability that is complementary to international development and should not come at the expense of investments in core ODA sectors such as health, education and food security and nutrition.

Conclusion: Canada's Responsibility and Leadership in Global Engagement

In a time of compounding global crises and shrinking donor commitments, Canada's leadership will be measured by its resolve to uphold the promises it has already made. Maintaining Official Development Assistance at **\$10.6 billion** is both a principled responsibility and a strategic necessity that will prove essential for advancing security, prosperity, and Canada's long-term interests.

The Prime Minister's commitment to protect foreign aid, alongside the government's stated priorities of defending democracy, strengthening global partnerships, and securing Canada's borders, sets a clear expectation. Strategic investments in ODA are central to achieving these goals by addressing the root causes of conflict, reinforcing alliances, and supporting stability in regions critical to Canada's security and prosperity. As Canada continues its G7 Presidency and looks to lead in forums like the G20 and COP30, it must show that leadership means delivering on commitments, especially when global stakes are high.

Upholding this commitment in the upcoming Budget will signal Canada's readiness to meet today's global challenges with consistency and conviction. It will safeguard hard-won development gains, advance Canada's security and economic interests, and ensure that Canada remains a trusted, principled voice on the world stage.

ⁱ Government of Canada, International Assistance Reporting, 2023-2024, https://www.international.gc.ca/world-monde/issues_development-enjeux_developpement/priorities-priorites/international-assistance-report-2023-24.aspx?lang=eng

ⁱⁱ UN OCHA Global Humanitarian Overview 2024, <https://humanitarianaction.info/overview/2024>

ⁱⁱⁱ CIVICUS Monitor, 2024 Report on Civic Space, <https://monitor.civicus.org/globalfindings2024/>

^{iv} Organisation for Economic Co-operation and Development (OECD). Cuts in Official Development Assistance: Trends, Impact and Mitigation Strategies. June 2025. https://www.oecd.org/content/dam/oecd/en/publications/reports/2025/06/cuts-in-official-development-assistance_e161f0c5/8c530629-en.pdf

^v Prime Minister of Canada, Mandate Letter to the Minister of Foreign Affairs, May 2025, <https://www.pm.gc.ca/en/mandate-letters/2025/05/21/mandate-letter>

^{vi} Institute for Economics and Peace, Global Peace Index 2023 <https://www.economicsandpeace.org/wp-content/uploads/2023/06/Global-Peace-Index-2023.pdf>

^{vii} Friends Committee on National Legislation (FCNL). Preventing War Is 60 Times Cheaper than Fighting It. Washington, DC: FCNL, 2011. <https://studylib.net/doc/18162619/preventing-war-is-60-times-cheaper-than-fighting-it>

^{viii} Liam Swiss. Trade with Developing Countries and Development Assistance: A Double Dividend? Canadian International Development Platform (CIDP), November 2017. <https://cidpnsi.ca/wp-content/uploads/2017/11/Trade-with-Developing-Countries-Development-Assistance.pdf>

^{ix} Independent Commission for Aid Impact (ICAI). Information Note: The Use of UK Aid to Enhance Mutual Prosperity. October 2018. <https://icai.independent.gov.uk/html-version/information-note-the-use-of-uk-aid-to-enhance-mutual-prosperity/>

^x U.S. Global Leadership Coalition (USGLC). Foreign Assistance and Economic Prosperity. April 2017.

<https://www.usglc.org/media/2017/04/USGLC-Foreign-Assistance-Economic-Prosperity.pdf>

^{xi} CTV News, "What do Canada's political leaders want to do with foreign aid?", July 2025, <https://www.ctvnews.ca/federal-election-2025/article/what-do-canadas-political-leaders-want-to-do-with-foreign-aid-1.6958305>

^{xii} Canadian Affairs, "An Interview with Canada's New Secretary of State for International Development," July 2025, <https://www.canadianaffairs.news/2025/07/07/an-interview-with-canadas-new-secretary-of-state-for-international-development/>

^{xiii} National Newswatch, "Ottawa's Foreign Aid Chief Eyes Red Tape, Visibility as Canada Resists Cutbacks," June 2025, <https://nationalnewswatch.com/2025/06/26/ottawas-foreign-aid-chief-eyes-red-tape-visibility-as-canada-resists-cutbacks>

^{xiv} Cooperation Canada. "Canada's International Assistance Spending: Insights from 2023/24." Cooperation Canada, May 9, 2025. <https://cooperation.ca/canadas-international-assistance-spending-insights-from-2023-24/>