

Strong Partnerships, Stronger Canada

Submission by Cooperation Canada to the Pre-Budget
Consultations in Advance of the 2026 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.

Recommendations for Budget 2026

Recommendation 1: We call on Canada to establish a protected core minimum of \$5.5 billion per year for poverty-focused Official Development Assistance (ODA).

This means protecting ODA for the world's most vulnerable contexts, including least developed, low-income, and fragile settings, as well as poverty-focused programming in lower middle-income countries, with all other ODA spending additional to this core.

- **Recommendation 1.1: We call on Canada to ensure that all trade- and investment-related initiatives financed through ODA comply with the Official Development Assistance Accountability Act by demonstrating that poverty reduction is their primary purpose.**
- **Recommendation 1.2: We call on Canada to establish a protected core minimum of \$962.7 million per year for humanitarian assistance within its ODA.**

International Assistance as a Strategic Pillar of Canada's Foreign Policy

Mounting and overlapping global crises are reshaping the context in which Canada must engage. Protracted conflicts, the climate emergency, humanitarian needs, and shrinking civic space are reversing development gains and limiting countries' ability to invest in long-term stability and growth. In 2026, an estimated 239 million people will require humanitarian assistance.ⁱ In addition, half of those living in extreme poverty are concentrated in fragile and conflict-affected contexts where access to other sources of financing remains limited.ⁱⁱ These pressures are unfolding at a time of increasing strain on the international order, where cooperation is weakening and geopolitical competition is intensifying.

These dynamics are not contained within national borders. They directly affect Canada's economic prosperity and national security by disrupting markets, supply chains, and investment conditions, while increasing displacement pressures and security risks.

In this context, Canada must reassess how it engages globally to protect its economic security and long-term prosperity. As reliance on the United States becomes less certain, trade diversification is no longer optional. The world's fastest-growing economies are increasingly in Africa, Asia, and Latin America, and the countries Canada supports today will help shape tomorrow's global economy. Deepening engagement with these regions is therefore essential to Canada's resilience.

International development cooperation is a core instrument of that engagement. As a central pillar of Canada's foreign policy, it enables sustained partnerships in regions where diplomatic and commercial ties are still developing. By addressing the root causes of poverty and instability, international assistance helps prevent crises, strengthens institutions, and supports inclusive economic growth. These conditions are necessary for stable markets and long-term investment.

It is also a cost-effective tool to manage global risk. Preventing conflict is up to 100 times less costly than responding to it,ⁱⁱⁱ with the global economic impact of violence reaching nearly \$20 trillion in 2024.^{iv} Investments in international cooperation also deliver measurable economic returns, with each dollar invested in official development assistance (ODA) generating approximately \$1.19 in Canadian exports as a spillover effect.^v

These investments play a critical role in expanding Canada's trade footprint. Countries such as Chile, South Africa, and Vietnam, once recipients of Canadian assistance, are now among its key trading partners in their regions. Development cooperation helps lay the foundations for similar partnerships by strengthening governance, reducing instability, and building the human capital needed to participate in regional and global markets.

As global needs rise, resources are tightening, and in a more competitive global environment, disengagement creates space for actors whose approaches may not align with Canadian interests. For the first time ever in 2025, the top five providers all reduced their ODA budgets, resulting in a 23% drop compared to 2024, the largest in history.^{vi} If current defunding trends continue, it could lead to an additional 9.4 million deaths, including 2.5 million children.^{vii}

Canada's ability to sustain this engagement is also increasingly at risk. Canada's reductions, announced in Budget 2025, risk weakening its capacity to engage consistently and strategically.

The 2026 federal budget provides an opportunity to ensure that Canada's international assistance remains both a lifeline for communities around the world and a strategic investment for Canada. Establishing a protected core ODA for poverty-focused international assistance would enable Canada to strengthen economic resilience, support national security, and sustain its global influence in an increasingly complex and contested world.

Recommendation 1: We call on Canada to establish a protected core minimum of \$5.5 billion per year for poverty-focused Official Development Assistance (ODA).¹

This means protecting ODA for the world's most vulnerable contexts, including least developed, low-income, and fragile settings, as well as poverty-focused programming in lower middle-income countries, with all other ODA spending additional to this core.

Establishing a protected core minimum would ensure that Canada maintains a clear and sustained focus on reducing poverty and inequality, while preserving flexibility for the government to pursue other priorities through ODA where appropriate. Such expenditures, like those tied to trade, should therefore be additional to, rather than drawn from, this core commitment.

Targeting concessional financing to the most vulnerable and most fragile contexts is both efficient and necessary. These countries have limited access to private capital and domestic resources, making ODA critical to support essential services, institutional capacity, and economic stability. Concentrating resources in these settings maximizes impact and aligns with Canada's commitments and the Official Development Assistance Accountability Act (ODAAA) to reducing poverty and inequality.

¹ Based on net actual ODA, analysis using poverty-oriented sector codes indicates that a \$5.5B allocation would raise the share to 82% of Canada's recent average allocations.

Recommendation 1.1: We call on Canada to ensure that all trade- and investment-related initiatives financed through ODA comply with the Official Development Assistance Accountability Act by demonstrating that poverty reduction is their primary purpose.

As Canada adapts its foreign policy to navigate an increasingly fractured global environment, there is growing emphasis on aligning development, trade, and geopolitical objectives. Greater coherence across these pillars is necessary. However, ODA is most effective when anchored in its core purpose. Poverty reduction, human rights, and inclusive growth are not separate from Canada's strategic interests. They are the foundation of stable, predictable, and mutually beneficial partnerships, and this approach has consistently delivered results.

As the government places greater emphasis on [using international assistance funding to advance trade objectives](#), it is essential that the legislative framework guiding international assistance be fully upheld. This requires that all initiatives supported through ODA remain clearly subordinate to and aligned with its primary purpose. Trade and investment activities financed through international assistance must therefore demonstrate tangible development benefits for partner countries, not only economic returns.

In practice, this means prioritizing development outcomes over short-term commercial gains. Benefits for Canadians should flow from strong development results, not from transactional or conditional approaches. It also requires a clear commitment to [untied aid](#), support for local private sector development, and sustained investments in the institutional and economic conditions that enable equitable and durable trade relationships.

Recommendation 1.2: We call on Canada to establish a protected core minimum of \$962.7 million per year for humanitarian assistance within its ODA.

Many humanitarian crises are protracted and cyclical, requiring sustained engagement rather than repeated emergency responses. Short-term funding increases administrative costs, limits planning, and reduces the effectiveness of interventions.

Multi-year, flexible funding that strengthens direct and equitable support to local and national actors through more accessible and inclusive financing mechanisms improves efficiency and allows for a more strategic response, given that local and national responders are often the first and last actors present in crises.

Investing \$962.7 million (the latest figure from the [Statistical Report on International Assistance 2024–2025](#)) per year in principled humanitarian assistance, where international humanitarian law is upheld equally and civilian protection is prioritized, also helps stabilize fragile contexts and prevent further deterioration all the while allowing for the establishment of economic development. When basic needs are not met, risks of displacement, instability, and conflict increase,

making humanitarian assistance not only a moral imperative but also a practical investment in stability and an opportunity for further economic growth.

Enabling Measures for Maximum Impact

Achieving effective international assistance that advances Canada's foreign policy objectives and delivers results for communities in the Global South should have the following enabling measures.

1. Canada should prioritize defending civic space and human rights by contributing to rapid response funding for civil society organizations and human rights defenders operating under threat.

Civic space underpins effective development, democratic governance, and stable partnerships.^{viii} When restricted, accountability weakens, outcomes suffer, and Canadian investments are put at risk. Threats are increasingly rapid and targeted, while Canada's current funding tools lack the speed and flexibility to respond.

Canada previously supported Lifeline, a rapid response mechanism that closed with the demise of USAID. Its successor, the [Lighthouse Global Protection Fund](#) now fills this gap. Canada should shift its support to this Fund to enable timely, flexible assistance for those under immediate threat, while coordinating with like-minded donors to address broader systemic risks.

Canada should also reduce administrative burden by reforming reporting to focus on impact and meaningful accountability, while making federal funding more reliable and responsive to better serve communities.

2. Canada should recommit to gender equality and inclusive development across all sectors of international assistance.

Canada should safeguard and build on the core principles and demonstrated gains of the Feminist International Assistance Policy, ensuring gender equality remains both a foundational and cross-cutting priority while advancing its foreign policy objectives. This approach would also reinforce commitments such as the 10-Year Commitment to Global Health and Rights. Delivering on this requires sustained institutional capacity within Global Affairs Canada, including dedicated human resources, strong Gender-Based Analysis Plus capacity, and the systematic use of disaggregated data to inform decision-making and accountability.

Gender equality is a proven driver of sustainable development and transformative progress further depends on addressing structural inequalities and supporting local women's rights organizations.^{ix} Investments in women's education, health, leadership and economic participation strengthen

economies, governance,^x and resilience while every dollar invested in family planning and maternal health yields \$8.4 in economic benefits.^{xi}

This approach must be intersectional. Canada's international assistance should be inclusive of people with disabilities, who make up 16% of the global population,^{xii} 80% of living in low- and middle-income countries^{xiii} and three quarters of whom are women.^{xiv} Facing higher rates of poverty, illiteracy, and unmet health needs, they must be fully integrated into program design and delivery to achieve inclusive and sustainable outcomes.

3. Canada should ensure that its new climate pledge consist of high-quality finance.

Canada's climate finance must ensure it does not displace resources for poverty reduction and other development priorities. High-quality climate finance is essential to support adaptation, mitigation, and loss and damage in the Global South, where climate impacts are already undermining development gains and increasing humanitarian pressures. As Canada seeks to mobilize greater private capital, strong safeguards, accountability and transparency will be critical to ensure that these investments adequately complement high quality public finance.

4. Canada should commit to improving budget transparency by publishing current and forward-looking details on the International Assistance Envelope (IAE) in annual federal budgets.

Recent budgets have provided limited clarity on Canada's international assistance. Budget 2025 introduced \$2.7 billion in cuts over four years without identifying the baseline from which these reductions would be made. This lack of transparency makes it difficult to assess the scale and impact of changes to international assistance.

Greater clarity in this area is a reasonable and achievable step. The required information is foundational to sound budgeting practices and would support a coherent, long-term approach to international assistance, bringing it in line with the level of clarity applied to other areas of federal spending.

At a minimum, federal budgets should include:

- The budgeted and estimated IAE for the previous fiscal year
- The total IAE for the upcoming fiscal year
- Multi-year projections of the IAE over at least five years
- A clear breakdown of allocations by major program areas and implementing departments, including distinctions between poverty-focused assistance and other expenditures such as climate finance.

- ⁱ United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA), *Global Humanitarian Overview 2026*, 8 December 2025. URL: https://www.unocha.org/attachments/cdccb8f4-11b0-4999-bb3f-d1c54c8ff21c/GHO2026_At_a_glance_EN.pdf
- ⁱⁱ World Bank, “Global Economic Prospects, June 2025,” June 2025. URL: <https://openknowledge.worldbank.org/server/api/core/bitstreams/35bb4b31-e9b0-4a1e-8c6c-df4336558673/content>
- ⁱⁱⁱ Hannes Mueller, Christopher Rauh, Benjamin Seimon, and Raphael Espinoza, “The Urgency of Conflict Prevention – A Macroeconomic Perspective,” *IMF Working Papers*, December 2024. URL: <https://www.imf.org/-/media/files/publications/wp/2024/english/wpiea2024256-print-pdf.pdf>
- ^{iv} Institute for Economics & Peace, *Global Peace Index 2025: Identifying and Measuring the Factors that Drive Peace*, June 2025. URL: <https://www.visionofhumanity.org/wp-content/uploads/2025/06/Global-Peace-Index-2025-web.pdf>
- ^v Fanny Siauw-Soegiarto and Aniket Bhushan, “Trade with Developing Countries and Development Assistance: Is there a link between Canadian exports and official development assistance?” *Canadian International Development Platform*, November 2017. URL: <https://web.archive.org/web/20240212174721/https://cidpnsi.ca/wp-content/uploads/2017/11/Trade-with-Developing-Countries-Development-Assistance.pdf>
- ^{vi} Organisation for Economic Cooperation and Development (OECD), “International aid fell sharply in 2025, says OECD,” 9 April, 2026. URL: <https://www.oecd.org/en/about/news/press-releases/2026/04/international-aid-fell-sharply-in-2025-says-oecd.html>
- ^{vii} Da Silva et al., “Impact of two decades of humanitarian and development assistance and the projected mortality consequences of current defunding to 2030: retrospective evaluation and forecasting analysis,” *The Lancet Global Health*, Volume 14, Issue 5, May 2026. URL: [https://www.thelancet.com/journals/langlo/article/PIIS2214-109X\(26\)00008-2/fulltext](https://www.thelancet.com/journals/langlo/article/PIIS2214-109X(26)00008-2/fulltext)
- ^{viii} Organisation for Economic Cooperation and Development (OECD), “Co-ordinating Action for Civic Space: Toolkit for implementing the DAC Recommendation on Enabling Civil Society in Development Co-operation and Humanitarian Assistance,” *Best Practices in Development Co-Operation Series*, 2025. URL: https://www.oecd.org/content/dam/oecd/en/publications/reports/2025/06/co-ordinating-action-for-civic-space_176b67ee/61416414-en.pdf
- ^{ix} Bénédicte Santoire, *Holding the Line on Gender Equality: Evidence to Inform the Future of Canada’s Feminist International Assistance Policy*, February 17, 2026. URL: https://cooperation.ca/wp-content/uploads/2026/03/FIAP-full-report_Final-EN.pdf
- ^x Georgetown Institute for Women, Peace and Security and Peace Research Institute Oslo, *Women, Peace and Security Index 2025/26*, 2025. URL: <https://giwps.georgetown.edu/the-index>
- ^{xi} United Nations Population Fund (UNFPA), *When Women Thrive, Economies Flourish: UNFPA’s Investment Case*, 2026. URL: <https://www.unfpa.org/UNFPA-investment-case>
- ^{xii} World Health Organization (WHO), *Disability*, 7 March 2023. URL: https://www.who.int/health-topics/disability#tab=tab_1
- ^{xiii} United Nations, *Factsheet on Persons with Disabilities*, N.D. URL: <https://www.un.org/development/desa/disabilities/resources/factsheet-on-persons-with-disabilities.html>
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