August 2026

Overall Trends in Canadian ODA: What are the key factors affecting its volume and allocations?

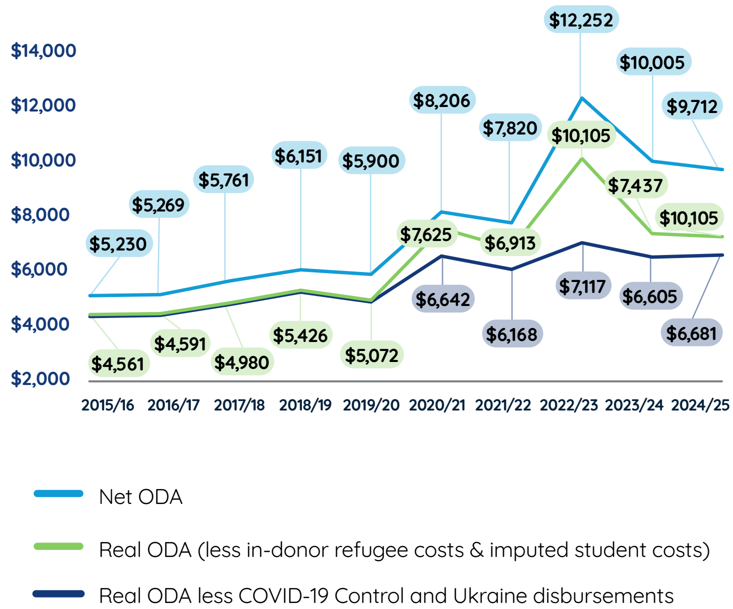
2025 Aid Trends Report Highlights

This briefing note examines the key factors shaping the volume and allocation of Canadian official development assistance (ODA), with a focus on the recent budget cuts, exceptional disbursements, shifting delivery channels and policy priorities. Together, these trends show that while headline ODA levels have increased over the past decade, the resources available for development purposes in the Global South are more constrained, less transparent and increasingly shaped by exceptional or relatively fixed expenditures.[1]

1 **The underlying International Assistance Envelope (IAE) increased by only 8% from 2020/21 to 2024/25 in current dollars, once COVID-19 and Ukraine are excluded, but declined by roughly 8% after considering inflation.** Starting in 2020/21, actual IAE disbursements began to exceed what had been planned in the federal budget, largely because of exceptional allocations for the COVID-19 pandemic and, beginning in 2022/23, support for Ukraine. As a result, headline growth in the IAE over this period overstates the increase in international assistance available for other purposes. Once these exceptional allocations and inflation are taken into account, the underlying envelope has grown only modestly in nominal terms and has lost real purchasing power since the start of the decade.

2 **Canadian ODA fell by 18% in 2023/24 and a further 3% in 2024/25, reversing the growth since 2015/16.** After rising steadily to 2022/23, reported ODA has declined and is likely to remain lower in 2025/26, particularly for purposes beyond Ukraine. These headline figures also need to be disaggregated: in 2024/25, a quarter of ODA went to in-donor refugee costs, meaning that it was spent in Canada rather than in the Global South.

Trends in Net and Real Canadian ODA, 2015/16 to 2024/25
Impact of COVID-19 Control and Support for Ukraine, post-2019/20
Millions of Canadian dollars (nominal)



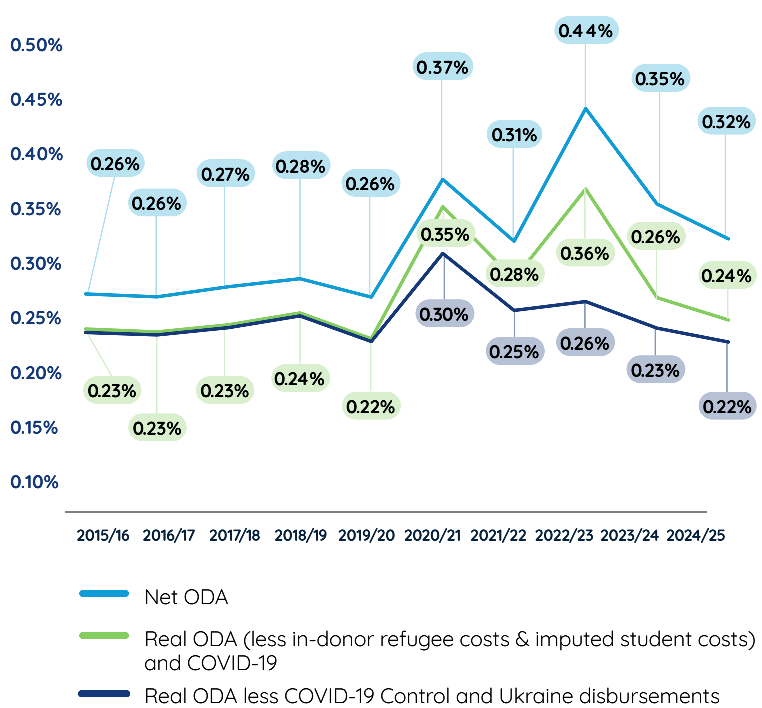
3 **The cuts announced in Budget 2025 could reduce development resources by 25% to 30%, well beyond the headline 16% cut to total Canadian ODA.** While the cuts amount to $2.7 billion over

1 This document is part of a Canadian Aid Trends series produced by Cooperation Canada and AidWatch Canada. These highlights provide a snapshot of the analysis; for more detail, consult the full briefing note and related Canadian Aid Trends resources.

four years, their impact will fall unevenly because some areas, including humanitarian assistance and other relatively fixed expenditures, are expected to be protected or difficult to reduce. These protected and fixed areas are estimated at $2,740 million in GAC spending, meaning that resources available for development purposes could decline much more sharply by 2029/30. The squeeze on new programming may be even greater in the near term, as GAC will also need to honour existing commitments made when ODA levels were higher.

4 **Canada's Real ODA (discounting in-donor refugee costs) performance fell to 0.24% of GNI in 2024/25, or 0.22% excluding COVID-19 and Ukraine.** This is below the pre-pandemic period, when these exceptional allocations did not exist, and shows that Canada's international assistance has not kept pace with the growth of its national wealth.

Trends in Canadian ODA Performance, 2015/16 to 2024/25
ODA as a share of Canada's Gross National Income



5 **Canadian ODA remains a very small share of federal resources, averaging only 1.8% of federal revenues and 1.6% of federal program spending since 2019/20.** This means that deeper cuts would therefore have limited fiscal impact for the federal government, but significant consequences for Canada's global role and its contributions to poverty eradication in the Global South.

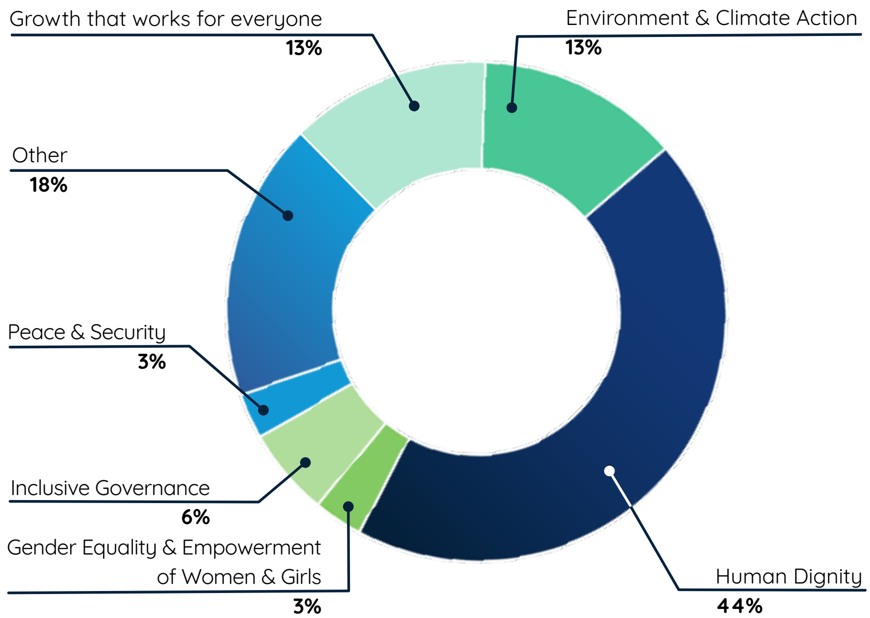
6 **Multilateral organizations implemented 65% of Canadian ODA from 2020/21 to 2024/25, compared to 26% through CSOs and 10% through governments.** This high multilateral share reflects not only Canada's core contributions to multilateral institutions, but also the large volume of bilateral ODA delivered through multilateral organizations, referred to as multi-bi, which averaged 56% of all bilateral ODA over this period. This underscores the extent to which Canada relies on multilateral channels to implement its international assistance.

7 **Climate finance has averaged 19.5% of bilateral ODA in 2023/24 and 2024/25, but with a reduced focus on adaptation.** Mitigation finance alone grew from 10% of bilateral ODA in 2020/21 to 15% in 2024/25, indicating that Canada's climate finance is increasingly weighted toward emissions reduction rather than adaptation. While the new pledge to 2030/31 represents an increase in absolute terms at $5.9 billion, this shift may present a major setback for countries and populations most vulnerable to climate change.

8 **Among OECD-DAC members, Canada ranked 6th in total ODA volume in 2025, but only 17th in Real ODA as a share of GNI.** While Canada remains a large donor in absolute terms, its performance relative to the size of its economy has fallen significantly, reaching its lowest ranking since 2015. This picture is also shaped by the composition of Canada's reported assistance. In-donor refugee costs represented the third-highest share among DAC providers. Also, support for Ukraine accounted for a very large share of bilateral assistance: Canada ranked first among DAC members both in total support and as a proportion of its total at 42.1%, excluding some smaller Balkan providers.

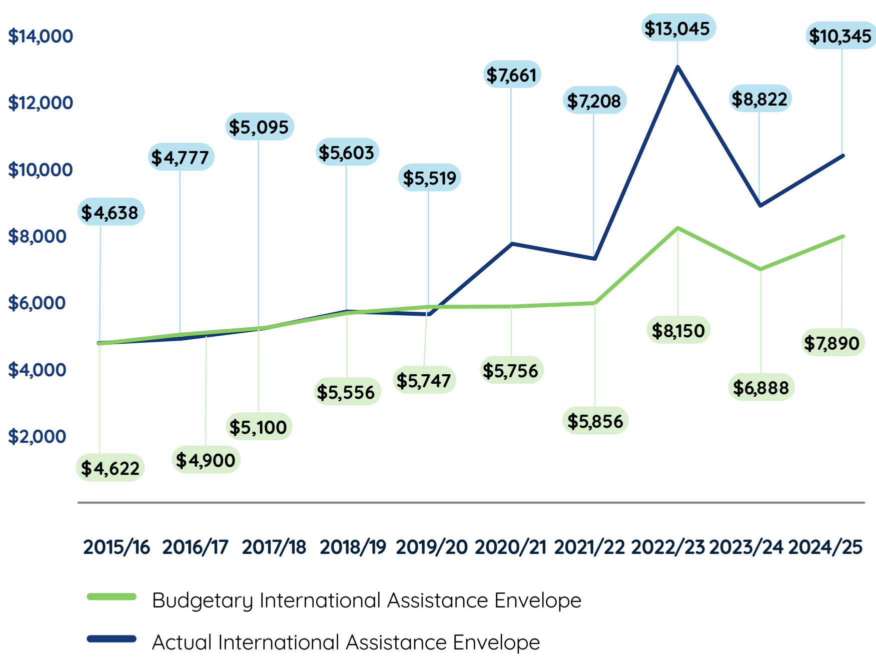
9 **Implementation of the Government's Feminist International Assistance Policy (FIAP) has resulted in a major focus on gender equality and women's empowerment in Canada's ODA, but this role appears to be receding.** Almost half (44%) of FIAP-related disbursements were directed to the human dignity action area, which includes education, health and sexual and reproductive health and rights, humanitarian assistance and social services/food security. However, the FIAP commitment to dedicate 15% of bilateral international assistance to advancing gender equality as a principal objective has not been achieved.

Feminist International Assistance Policy (FIAP): Action Areas, Share of Seven-Year Cumulative Total Real ODA, 2018/19 to 2024/25



Gender Equality is gender principal purpose only
Other is administration, multi-sector, promotion of public awareness, and sector n (not specifield)

Budgeted and Actual International Assistance Envelope, 2015/16 to 2024/25
Millions of Canadian dollars (nominal)



10 **Limited IAE transparency in annual federal budgets prevents a clear assessment of Canadian ODA flows.** Budget 2024 provided no projections for the IAE for 2024/25, and Budget 2025 did not provide a 2025/26 baseline against which the announced cuts will be measured. This is especially notable because some previous federal budgets have provided more information on the IAE, while the government publishes forward projections for most other major federal programs, such as National Defence. The problem is compounded by the growing divergence since 2020/21 between the budgeted IAE and actual disbursements, making federal budget figures an increasingly unreliable guide to final international assistance spending. Without clearer and more consistent IAE reporting, Parliament, civil society and partner organizations cannot accurately assess the scale of planned cuts, anticipate future funding levels or hold the government accountable for its international assistance commitments.