

Moving the Needle: Re-imagining Canada's Development and Humanitarian Engagement

Report Summary

Introduction

The Norman Paterson School of International Affairs (NPSIA) convened a series of focus groups on Canada's engagement in contexts of development, fragility and conflict. Using Chatham House Rules, we held six discussions from mid-February until mid-April 2025.

We were motivated by the absence of a robust policy debate on Canada's development and humanitarian engagement and the opportunity provided by a new government to influence Canada's foreign policy agenda.

These discussions took stock of Canada's current approach to humanitarian and development assistance, reflected on Canada's strengths and weaknesses, and discussed recommendations for how Canada should move forward in an increasingly challenging global context.

The Report is informed by these discussions and builds upon the work of others who have examined Canadian foreign policy.¹⁻³ It aims to outline pragmatic and realistic recommendations to guide Canada's new government as it develops its approach to contexts of development, fragility, and conflict.

The Report argues that Canada can 'move the needle' to improve development and humanitarian outcomes. It suggests the government undertake two immediate measures. First, Canada should use the convening power of the G7 Presidency to announce and lead a G7 Working Group on Development and Humanitarian Assistance. And second, to effectively lead that G7 discussion, Canada needs to articulate a new framework to guide its engagement in fragile, conflict affected and developing contexts.

Global Context

Over a billion people in the world live in poverty; almost 700 million of whom live in extreme poverty, surviving on \$2.15 per person per day.⁴ Forty percent of the world's poorest people live in situations of fragility and conflict.⁵

Given global trends, these poverty levels will likely increase. Economies are stagnating, and many low-income countries face crippling levels of debt. Poverty reduction has stalled, while income inequality continues to grow. Climate change and extreme weather

events threaten livelihoods and deepen food insecurity. Violent conflicts are at levels not seen since World War Two, causing protracted humanitarian emergencies and record levels of forced displacement.

The United States' aggressive pursuit of 'America first' policies is exacerbating the crises facing these countries while undermining the world's ability to address them. The shuttering of USAID has an immediate impact on the distribution of life saving assistance for millions around the world. While the US is not alone in reducing Official Development Assistance (ODA), it provides the most aid of any country in the world – over 63 billion USD in 2024.⁶ US tariffs and disruptions to the global trading system will hit low-income countries hard, interrupting supply chains and closing off opportunities for economic growth through trade.⁷ And the US retreat from multilateral institutions weakens global cooperative action precisely when its most needed.

Analysts warn that without a course correction, 2020-2030 will become a lost decade for many countries, reversing fragile development gains.⁴ This escalation will deprive even more individuals of their livelihoods, wellbeing and dignity, and deny communities their economic and social potential.

Canada's Response

With a new government comes a new approach to foreign policy. Canada has - understandably - been preoccupied by the dramatic reconfiguration of our relationship with the United States. Given the changing geopolitical context, Canada faces intense pressure to rapidly increase its defence spending, protect its land and sea borders, and prioritise economic security.

But Canada cannot safeguard its prosperity and security without defining Canada's place in the world. And defining Canada's global role requires Canada to identify how it can effectively engage in developing, fragile and conflict affected contexts.

The new government has been largely silent on Canada's development and humanitarian policies. However, during the 2025 election campaign, Prime Minister Carney pledged to maintain current levels of ODA. In 2024, Canada provided \$7.3 billion in development assistance, amounting to 0.34 percent of gross national income. With large budget deficits and a precarious economic outlook, the government will be under fiscal pressure and may be tempted to cut ODA. Cuts to Canada's aid budget would be a mistake, jeopardizing hard won development gains, putting lives at risk, and signaling Canada's retreat from the global stage.

Yet we also need to be realistic. Given significant budgetary pressures, Canada's aid budget will not substantially increase. Therefore, Canada's response to global challenges needs to accomplish more with the same level of resources. The Report suggests two key pathways to 'move the needle'. First, Canada can leverage its global convening power, specifically its G7 Presidency role. And second, Canada must reimagine its engagement in

contexts of development, fragility and violence with a new framework on development and humanitarian assistance policy.

Canada's G7 Presidency

Despite the increased number of conflicts around the world, the impact of that violence on civilian populations, and the deteriorating economic outlook for many low-income countries, Canada's G7 Agenda largely overlooks development and humanitarian engagement.

Canada's G7 Presidency must expand in ambition and scope. At the upcoming G7 Summit in Kananaskis, Canada should announce that it will lead a special G7 Working Group on international responses to conflict, fragility and development. While countries need to drive their own development, the rapidly deteriorating humanitarian and development context requires a response from the world's richest countries. This G7 working group should review development and humanitarian aid architecture, including for multilateral assistance, and provide recommendations for reform. This working group could present its results to the global conference on the future architecture of aid, announced by the UK Foreign Secretary David Lammy.⁸

A New Framework for Canadian Engagement

Canada's Feminist International Assistance Policy (FIAP) has guided the implementation of Canada's development and humanitarian assistance since its launch in 2017. The FIAP shone a light on the critically important role that gender equality plays in development and peace outcomes. It strengthened gender equality architecture within Global Affairs Canada (GAC), supported civil society advocates around the world, and provided funding for critically important, evidence-based gender equality interventions.

While gender equality should remain a goal of Canadian development and humanitarian assistance, the Report recommends that Canada adopt a new framework to guide our engagement. This framework should clearly articulate why development aid is important, how Canada will engage, and key focus initiatives.

The Why: The Importance of Development and Humanitarian Engagement

Canada has traditionally framed its development and humanitarian engagement as a reflection of Canadian values. Given the challenging geopolitical context and domestic fiscal pressures, the government needs to articulate how development and humanitarian assistance also serves Canadian interests.

Canada cannot insulate itself from global threats. Canada's economic, social and political systems are tightly interconnected with global systems. Crises in one part of the world can quickly spread across global systems, as the health and economic disruptions caused by COVID-19 clearly demonstrate. But interconnectedness also brings opportunities, with improved outcomes potentially resulting in a virtuous cascade.^{9,10}

The Canadian government should frame our global engagement as ‘a stronger Canada contributing to a more peaceful and prosperous world.’

The evidence for this framing is clear. Development and humanitarian assistance protect Canada from a wide variety of threats – ranging from security to disease to climate change. Socio-economic development contributes to more peaceful and more prosperous societies.⁹ Prevention of conflict saves lives, protects economies and reduces migration and displacement. Building human capital through development assistance enables inclusive economic growth that minimizes the risks of conflict and provides potential markets for Canadian goods. And global engagement also brings opportunities. It contributes to soft power, enabling Canada to expand bilateral relationships to facilitate the exchange of ideas, technology, and trade.

The How: Principles, Goals and Mechanisms

A focus on national interests does not mean Canada should abandon its values. Development and humanitarian assistance must remain firmly rooted in a recognition of our shared humanity and intrinsic dignity.

To ensure that Canada retains its values-based approach in a self-interested world, Canada should clearly articulate its core principles and goals for development and humanitarian engagement. Given the need to do more with the same resources, Canada also must reform the mechanisms that will enable us to achieve those goals. Our suggested approach is outlined below.

Principles

We recommend that the following three principles guide our engagement in contexts of development, fragility, and conflict.

First, our global engagement should further *human rights, dignity and wellbeing, and boost economic and social potential*.

Second, Canada must ‘*move the needle*.’ In a time of scarce resources, Canadian development and humanitarian assistance should be evidence based and deliver benefits to recipient populations.

And third, *countries should be in the driver’s seat* of their own development.

Goals

Our development and humanitarian engagement should articulate clear goals to guide our engagement.* The Report suggests the following six goals that could serve as a ‘north star’ across development and humanitarian contexts.

* Canada’s Official Development Assistance Accountability Act states that “. . . all Canadian official development assistance abroad is provided with a central focus on poverty reduction and in a manner that is consistent with Canadian values, Canadian foreign policy, the principles of the Paris Declaration on Aid

Civilian Protection and Human Rights: Protect civilians from the impact of organised violence and conflict, and in all contexts, work to protect and promote human rights.

Poverty Reduction: Ensure access to basic needs, improve living standards, and contribute to inclusive economic growth.

Human Capital and Capabilities: Provide access to education, training, and skills development.

Gender Equality: Ensure everyone, regardless of gender, benefits from the ability to develop human capabilities, access economic and other resources, live in safety and security, and exercise agency.

Sustainability: Minimise the environmental impact of development and humanitarian interventions, while strengthening climate adaptation and resilience.

Good Governance: Strengthen public institutions and civil society organisations to promote the rule of law, provide effective public services, and ensure transparency and accountability.

Mechanisms

Canada has an opportunity to reform the mechanisms of development and humanitarian assistance – the machinery that can achieve those goals. The Report suggests six key mechanisms.

A Bureaucracy that ‘Gets it Done’: The current global environment requires a more nimble and effective bureaucracy, one that prioritizes expertise and experience, devolves decision making and financial authorities, merges foresight research with an evidence-based analysis of levers of change, integrates a ‘Red Team’ or challenge function, and networks effectively with external actors, including researchers. The government also needs to embrace technology – such as Artificial Intelligence (AI) – recognising it remains a tool, not a substitute for expert analysis.

Multilateral Reform: A significant percentage of Canadian ODA is delivered through multilateral organisations. The current strain on the multilateral system, including global financing institutions, means that these institutions will have to adapt to survive. Canada should seize this opportunity to influence reforms to build more efficient and effective multilateral institutions.

A Team Canada Approach: At home, Canada should continue to strengthen coordination and collaboration mechanisms across government departments and crown agencies. In recipient countries, Canada should adopt a Team Canada approach through the co-location of Canadian and Canadian funded organizations.

Effectiveness of March 2, 2005, sustainable development and democracy promotion and that promotes international human rights standards.”¹¹. Official Development Assistance Accountability Act. In: Canada Go, editor. SC 2008, c 17. Ottawa; 2008.

Collaboration through Partnerships, Consortiums, and Communities: Where possible, Canada should work through consortiums or partnerships – that include national organizations - to identify and address specific development and humanitarian challenges. Data, analysis and evaluations can be shared, and gaps in capacity and expertise identified and filled through expert deployment mechanisms. Canada can also lead the way in democratizing development and humanitarian assistance by developing communities of practice in recipient communities, sharing the findings of research and co-developing development and humanitarian programming.

Research Networks: Canada does not have a national thinktank dedicated to research and advocacy on development and humanitarian issues. The International Development Research Centre (IDRC) has played an invaluable role in building research networks throughout low- and middle-income contexts. The Report suggests that IDRC be given additional funding to support Canadian research networks and help facilitate their connection to global research networks.

Connect to Canadians: Canadians better understand the value of development and humanitarian engagement through personal connections. The Report recommends that Canada work to facilitate these connections through youth internships and professional exchanges.

The What: Initiatives for the New Government

In our complex world, with deteriorating socio-economic outcomes and rising humanitarian needs, there are many priorities. The Report suggests five initiatives that address critical needs and build on Canadian strengths.

Through all these initiatives, it will be critical to ensure that the gender equality architecture built by the FIAP is maintained to ensure gender equality is a clear objective of all these initiatives.

Civilian Safety in the Humanitarian-Development-Peace Nexus: The norms that safeguard the protection and well-being of civilian populations in situations of fragility and violence are under siege. Working with humanitarian organizations, the military, and the United Nations, Canada should push for a renewed focus on the protection of civilians. As part of this initiative, Canada can advocate for international humanitarian law and support organisations working to advocate for civilians and investigate human rights abuses.

Peacebuilding: A world focused on international security needs countries to champion peacebuilding. Canada can work with like-minded countries and partners to support mediation and peace processes, including through the women, peace and security agenda. Canada can increase and coordinate targeted expert deployments to build capacity, support nationally led development and provide surge support to support conflict management and peace processes. Other areas of potential Canadian engagement include third country training operations for security

sector reform and build capacity to counter information operations and enhance cybersecurity.

Expand Grand Challenges Model - Ecosystem for Development: Grand Challenges Canada has successfully spurred innovation in the health sector. The Report advocates for an expanded Grand Challenges approach. Canada could establish pilot innovation hubs to create an ecosystem for development. These hubs could identify key challenges impeding development outcomes at the local level. Within these innovation hubs, Canada could bring together public, private, and civil society actors, funding mechanisms (e.g. FinDev) and technical support for entrepreneurship.

Sustain Canada's Commitment to Health and Education: Canada should continue its leadership role in health and education. In conflict affected settings, we should explore opportunities to implement scalable education and health programming, as well as promote innovation. To create efficiencies, Canada could build coalitions to enable through joint programming and shared tools and assessments. Canada could also support capacity building and technology transfer to support countries in their pandemic preparedness efforts.

Trade and Development: Canada could expand its existing initiatives and networks on trade and development, with a focus on small and medium enterprises. Initiatives include better collaboration between trade and development personnel in Canadian missions overseas, as well as expansion of trade facilitation activities. The provision of financial and technical support to countries and regional organizations to support trade could help countries navigate the uncertain future of initiatives such as AGOA.

Conclusion

Canada's foreign policy is clearly at an inflection point. Poverty, fragility, and conflict are set to increase, with impacts on regional and global diplomacy and security. As the world faces an uncertain future, countries like Canada have a responsibility to contribute to a more equitable and peaceful world. Our hope is that the Report helps provoke discussion and debate on how Canada can work towards that objective.

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