Rethinking Canada's Role in International Development Assistance Beyond 2030

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Issue

As the endpoint of the "2030 Agenda for Sustainable Development" (the "2030 Agenda") approaches, a reassessment of Canada's international development assistance (IDA) strategy is critical. Canada must implement a development framework that utilizes globally informed but locally tailored solutions to address emerging global challenges — notably technological disruptions and IDA funding gaps — to ultimately address the structural drivers of inequality and accelerate development in the post-2030 era.

Background

The 2015 transition from the Millennium Development Goals to the Sustainable Development Goals (SDGs) occurred in a markedly different geopolitical and environmental context than today. While some progress has been made, these development gains are increasingly undermined by a convergence of domestic and global crises — climate emergencies, geopolitical tensions, economic instability and rising inequality.

Despite substantial evidence of what works, a persistent gap remains between knowledge and action-oriented implementation. This disconnect is contributing to stagnation or even regression in many areas of SDG progress.

In 2025, Canadian IDA operates against the backdrop of a complex global polycrisis. Compounding disruptions from climate change, fragile health systems, geopolitical

instability and the unregulated expansion of artificial intelligence (AI) technologies are challenging traditional models of multilateral cooperation and sustainable development. Moving forward, Canada must adopt a proactive, inclusive and systems-oriented approach to international assistance — one that strengthens resilience, fosters equity and advances shared global priorities without compromising domestic interests and values in a more uncertain and multipolar world.

The Changing Landscape of IDA

The landscape of IDA is undergoing transformation, shaped by new actors, financial mechanisms and political dynamics. The growing involvement of non-traditional actors — particularly the private sector — and the rise of alternative financing frameworks are reshaping how aid is mobilized and delivered (Burke 2025). The dominance of traditional, Western-led aid paradigms is waning as South-South cooperation gains traction, and regionalized, country-led models increasingly take precedence.

This decentralization reflects a broader shift toward more context-sensitive and accountable forms of assistance. For Canada to remain an effective and credible actor in this space, it must adapt to these emerging frameworks, engage meaningfully with local actors, and commit to models that reflect principles of equity, sustainability and mutual accountability.

Canada's Position and Evolving Role

Canada has historically positioned itself as a global advocate for human rights and gender equity, most notably

through the 2017 Feminist International Assistance Policy (FIAP). While these efforts are laudable, criticisms have emerged suggesting that Canada's approach has, at times, been overly narrow, failing to account for the broader systemic and structural issues that undermine sustainable development (Black 2020).

Integrating Indigenous knowledge into Canada's development assistance framework offers a powerful means to address these issues. Indigenous peoples in Canada possess traditional knowledge and insights regarding environmental stewardship and resource management that are unique and underutilized. Engaging Indigenous partners as equal collaborators — not symbolic stakeholders — can enrich development outcomes globally, while advancing reconciliation and decolonization domestically.

By mobilizing Canada's full spectrum of assets — including its pluralistic society, Indigenous knowledge, technological expertise and multilateral diplomacy — Canada can contribute more holistically to reshaping the global aid landscape and responding to next-generation development challenges.

Emerging Challenges and Trends

As the international community approaches the culmination of the 2030 Agenda, several emerging challenges necessitate a re-evaluation of Canada's IDA strategy.

Water, environment and health challenges: 3.6 billion people already live in areas highly susceptible to climate change. Between 2030 and 2050, climate change is expected to cause approximately 250,000 additional deaths per year, from undernutrition, malaria, diarrhoea and heat stress alone (World Health Organization 2023). Increasingly frequent and severe climate events — droughts, floods, wildfires — are reversing development gains and disproportionately affecting vulnerable populations, particularly in the Global South. Water is a systems-level entry point for addressing intersecting development challenges — from climate resilience and biodiversity loss to food security and public health.

Geopolitical tensions and fragmentation: The global order is experiencing increased fragmentation, the erosion of multilateral cooperation and increases of armed conflicts. Nearly 23 percent of experts who participated in the World Economic Forum's (WEF) Global Risks Perception Survey 2024-2025 highlighted armed conflicts as their main concern (WEF 2025). Ongoing inter and intrastate

conflicts, including those in Israel-Palestine, Sudan and Russia's war in Ukraine, are having devastating impacts on civilians. The Centre for International Governance Innovation outlines scenarios where the international system could undergo significant transformations due to global shocks, necessitating adaptability in foreign aid strategies (Samson et al. 2024). Additionally, the US-China relationship will remain a defining feature in global geopolitics, with competition between the two states shaping governance and international relations. As cooperation declines and fragmentation increases – trends highlighted in *The Global Risk Report 2025* (WEF 2025) — IDA efforts face growing challenges in sustaining multilateral engagement.

Technological disruption: Rapid advances in AI and digital technologies present both opportunities and risks for international development. While digital tools can enhance service delivery and accelerate progress toward the SDGs, they also risk deepening the digital divide, reinforcing algorithmic bias and undermining privacy — especially in countries lacking infrastructure, regulation and local capacity.

Funding gaps: Development assistance is at a crossroads. Global needs for IDA are growing as the effects of the ongoing polycrisis intensify, yet funding is in decline. Rising nationalism and shifting domestic priorities have led several donor governments to reduce their IDA contributions. For example, in the past year, the Netherlands has cut its IDA budget by 30 percent, France by 37 percent and the United States has withdrawn nearly all of its IDA support (Cuso International 2025).

This funding shortfall comes at a time when donor countries, including Canada, face increasing pressure to respond to both domestic and international challenges. Budget constraints have made it difficult to address these dual demands, even as needs in both spheres continue to grow (Ahmed, Calleja and Jacquet 2025).

While not exhaustive, the challenges outlined here reflect some of the most urgent issues contributing to the polycrisis. Moving forward, IDA strategies must strike a balance between short-term, high-impact interventions and long-term resilience building. To remain effective, Canada will need to embrace innovative models of engagement that move beyond reactive cycles and toward transformative, sustainable solutions (Assadourian 2025).

Recommendations

Champion Post-2030 SDG Integration: Consolidate Goals for Clearer Policy Action. As 2030 approaches, Canada should champion post-2030 SDG integration, working with global partners to consolidate overlapping goals for clearer policy action. For example, framing water as an entry point for health, climate resilience, food security, energy and peace building can support systems-based decision making. This integrated approach will enable policy makers to address root causes of inequality and underdevelopment more effectively, simplifying complex agendas into actionable priorities.

Think "Glocal": Localize Development and Tailor Solutions to Context. Canada should deepen its shift toward local ownership and glocal (global-local) solutions, moving away from siloed, top-down interventions. Global Affairs Canada (GAC) should continue to ensure that innovative solutions create inclusive opportunities for the poorest, the most vulnerable and marginalized populations by including them in the design, testing, learning and adoption of innovative solutions (GAC 2024b). Local actors should be the ones driving solutions; therefore, Canada should tailor solutions to regional contexts and foster local capacity-building.

Canada should institutionalize support for local systems, institutions, scientists and entrepreneurs as a foundational standard of its IDA. This includes strengthening health system infrastructure, water governance institutions and local pharmaceutical and diagnostic manufacturing capabilities to ensure sustainable, context-relevant development outcomes. As a trusted technical assistance partner, Canada can leverage its strengths in water, the environment and health to build local capacity and institutional resilience.

Accelerate Innovation: Use Technology to Drive Smarter Development. *Canada's 2024 Annual Report on the 2030 Agenda and the SDGs* highlights the need to leverage digital technology to accelerate progress to achieve the SDGs (Government of Canada 2024). Therefore, Canada should invest in data-driven IDA that enhances effectiveness, accountability and agility while ensuring strong safeguards are in place. This call for action is applicable to the post-2030 agenda as well. The innovative use of emerging digital technologies includes, but is not limited to, developing open-source digital public infrastructure, remote sensing and data science for water security, and quantum computing for sustainable development.

Prior to utilizing AI for streamlining the delivery of IDA, GAC should create a policy for the use of AI on foreign vulnerable populations that ensures for algorithmic transparency, accountability, and regular risk and impact assessments that mirror GAC's five-step risk management cycle for international development projects (GAC 2024c).

Embed Equity at the Core: Address Structural Drivers of Inequality. Canada should embed equity and justice throughout its IDA strategy by addressing the social determinants of health and inequality, and promoting an economy rooted in inclusion, circularity and sustainability. This could be achieved by amplifying marginalized voices — especially from Indigenous communities and the Global South — prioritizing intersectional, rights-based approaches in all investments and championing a global equity agenda that incorporates gender justice and leverages Global South leadership.

To further prioritize equity in IDA, Canada should build upon the FIAP to incorporate next-generation gender equity approaches that integrate sexual and reproductive health and rights, sexual and gender-based violence prevention and economic empowerment. Consultations should be conducted alongside stakeholders that amplify the voices of marginalized and/or vulnerable groups within the Global South.

Rethink Financing: Mobilize Smarter, Fewer and More Agile Mechanisms. Canada is committed to reducing spending by CDN$14.1 billion by 2028-2029 and by CDN$4.1 billion each year following (ibid. 2024a). In an era of tightening fiscal constraints, Canada must focus on time-bound, targeted sustainable development objectives, and embrace innovative financing to ensure that IDA funding is used efficiently and effectively to avoid wasted resources and missed opportunities. Therefore, Canada should support performance-based financing to maximize impact, including catalytic capital and blended financing schemes for climate and health solutions. The Global Health Investment Fund, which improves the health of 12 million people annually, is an example of the kind of success that blended financing can produce. Other financing models that Canada should further utilize include development impact bonds and pay-for-results models. Canada should also strengthen bilateral relationships and scale public-private partnerships, such as the Global Polio Eradication Initiative, notably for sustainable infrastructure, digital health and clean energy.

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