

OECD Development Co-operation Peer Reviews: Canada 2025



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Foreword

The OECD Development Assistance Committee (DAC) conducts reviews of the development co-operation efforts of DAC members every five to six years. DAC peer reviews seek to improve the quality and effectiveness of development co-operation policies, programmes and systems, and to promote good development partnerships for greater impact on poverty reduction and sustainable development in developing countries.

As set out in the [methodology](#) updated regularly and agreed to by the DAC, DAC peer reviews focus on a select number of areas critical to the quality of a member's development co-operation. These focus areas are decided in agreement with the member under review, drawing a self-assessment submitted by the member as well as inputs from key partners. Based on these, staff from the Secretariat and two DAC members designated as peer reviewers visit the member's capital to interview officials and parliamentarians, as well as representatives of civil society, non-government organisations, the private sector and relevant experts. This is followed by visits to up to two developing partner countries or territories, where the review team meets with the reviewed member's government representatives as well as senior officials and representatives of the partner country's administration, parliamentarians, civil society, the private sector and other development partners. The findings of these consultations and accompanying recommendations are then discussed during a formal meeting of the DAC prior to finalisation of the report. During the process, the OECD Development Co-operation Directorate provides analytical support.

To support learning between DAC members, the report highlights valuable practices from Canada, from which peers can draw inspiration and learning. These are documented in further detail on the [Development Co-operation TIPs Tools Insights Practices](#) peer learning page, that offers insights into making policies, systems and partnerships more effective. The peer review report is complemented by [Canada's development co-operation profile](#), which includes factual information on its policies, development financing, institutional arrangements, and management systems.

The analysis presented in this report is based on (1) a desk review, including Canada's self-assessment and written assessments and inputs provided by more than 33 partners (multilateral organisations, non-government and academic partners as well as partner governments); and (2) an extensive process of consultation with actors and stakeholders primarily in Canada, Nigeria, and Colombia (listed in Annex C). The work was discussed during the meeting of the DAC on 9 April 2025 and revised to integrate comments. It reproduces in the section titled "The DAC's peer review recommendations to Canada" the recommendations approved by the Committee via written procedure on 16 April 2025.

Acknowledgements

Development Assistance Committee (DAC) peer reviews serve both learning and accountability. This report is the result of an in-depth consultation and review process. It was produced by a review team comprising peer reviewers from France (Eric David, Permanent Delegation of France to the OECD, and Sophie Villette, Ministry of Foreign Affairs) and Slovenia (Jana Erzetič, Permanent Delegation of Slovenia to the OECD, and Eva Nastav, Ministry of Foreign and European Affairs), together with an observer from Türkiye (Yahya Gülseven, Turkish International Cooperation and Coordination Agency). From the OECD Development Co-operation Directorate, Joëlline Bénéfice, Policy Analyst, served as the lead analyst for the review, together with Nestor Pelecha Aigues, Policy Analyst, and Jenny Hedman, Policy Analyst. Renwick Irvine, Team Lead Peer Reviews, oversaw the review. Samantha Proteau provided logistical assistance to the review and formatted and produced the report. The report was prepared under the supervision of Robin Ogilvy, Head of Division, Reforms and Partnerships for Development Impact. The report was edited by Susan Sachs.

The team are grateful for valuable inputs from across the Development Co-operation Directorate – including from the Financing for Sustainable Development division – and the OECD, in particular; the Centre for Tax Policy and Administration; the Directorate for Financial and Enterprise Affairs; the Directorate for Legal Affairs; the Directorate for Public Governance; the Economics Department; the Development Centre; and the Financial Action Task Force. Written submissions from a selection of Canada's partners helped to focus and enrich the review.

The Peer Review of Canada benefited throughout the process from the commitment and dedication of representatives of Global Affairs Canada. The review team is also thankful to Canada's High Commission in Nigeria, who ensured smooth contact with local counterparts as well as documentation, insights and logistical support.

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Abbreviations and acronyms

CFLI	Canada Fund for Local Initiatives
CRC	Conditional repayable contribution
CSO	Civil society organisation
DAC	Development Assistance Committee (OECD)
FIAP	Feminist International Assistance Policy
FSSP	Field support services programme
GAC	Global Affairs Canada
GBA	Gender-based Analysis
GDP	Gross domestic product
GE	Grant equivalent
GNI	Gross national income
GPEDC	Global Partnership for Effective Development Co-operation
HDP	Humanitarian-development-peace
IDRC	International Development Research Centre
LDC	Least developed country
LGBTQI+	Lesbian, Gay, Bisexual, Transgender, Queer, Intersex Plus
NGO	Non-governmental organisation
ODA	Official development assistance
OECD	Organisation for Economic Co-operation and Development
SDG	Sustainable Development Goal
SEAH	Sexual exploitation, abuse and harassment
SMO	Small and medium organisation
UN	United Nations
US	United States
WRO	Women's rights organisation
WVL	Women's Voice and Leadership

Signs used:

CAD Canadian dollar

USD United States dollar

Slight discrepancies in totals are due to rounding.

Annual average exchange rate: 1 USD = CAD

2018	2019	2020	2021	2022	2023
1.2961	1.3270	1.3412	1.2535	1.3017	1.3493

Executive summary

The 2025 Development Assistance Committee (DAC) peer review of Canada, conducted by France and Slovenia with Türkiye as an observer, assesses Canada's development co-operation policies and programmes. The review is structured around four main areas: development effectiveness, policy integration, the feminist policy implications, and innovative finance.

Improved communication on the added value of Canada's international assistance in relevant contexts would support the government commitment to increase the budget for official development assistance (ODA). The ODA Accountability Act and the Feminist International Assistance Policy (FIAP) give a clear identity to Canada's development co-operation positioning poverty reduction and gender equality at its core. While Canada's ODA has increased since 2018, in line with government's commitment, the ODA to gross national income (GNI) ratio was still at 0.38% in 2023. Building on a culture of accountability to Canada's Parliament and citizens, strengthening the results approach at a portfolio level and investing in developing a convincing narrative could help defend the budget in a difficult geopolitical context.

Strengthening the flexibility of Canada's development assistance could help Global Affairs Canada (GAC) fully implement its commitment to development effectiveness. GAC advocates for development effectiveness globally, and partners value how GAC both values their expertise and debates development objectives. However, most of Canada's development assistance is programmed from headquarters to meet thematic funding commitments which limits the scope for locally responsive strategies when priorities do not fully align. Thanks to recent reforms to increase financial authority and decentralisation, and to improve budget predictability to geographic branches, GAC is in a better place to give more space to local perspectives in decision-making.

Ownership can be further strengthened, building on lessons from locally led programmes. Canada's direct engagement with national governments and local civil society is limited because internal incentives lead Canada to partner with established organisations. In 2023, only 3.1% of its bilateral ODA was delivered through national and local channels and direct support to governments has decreased over time. Multilateral organisations are Canada's preferred partners, but the high level of tight earmarking (36.5% of project earmarking in 2023) may undermine their effectiveness. Nonetheless, Canada has made specific attempts to diversify its partnerships and engage with small and local organisations through programmes such as the Canada Fund for Local Initiatives and Women's Voice and Leadership (WVL). Beyond these specific programmes, favouring programmes and projects that include recipients transferring quality funding (multi-year, flexible, core, etc.) could help accelerate progress towards locally led development. In addition, maintaining and deepening dialogue with public authorities can support ownership and effectiveness.

The Grants and Contributions Transformation Initiative (GCTI) will speed up processes – which is identified as a challenge both internally and by partners. Notable approaches include the FailSmart Lab, automatised and streamlined business processes, as well as the management of risks at portfolio level, a cultural change that goes beyond technical fixes. The GCTI also aims to facilitate access to diverse organisations, including small and medium organisations, and to support locally led development.

Maintaining relevant development expertise in an integrated department requires constant attention. GAC has embarked on a transformation journey addressing the organisation's culture, human resources, policies, set-up, processes, and tools to leverage the strengths of an integrated department. The existence of a dedicated rotational international assistance stream, updates to the Canadian Foreign Service Institute's professional learning programme and extension of talent management seem promising. Challenges remain in building and rewarding new technical and niche expertise, such as in innovative finance, career advancement opportunities for local staff, and facilitating greater access to country experience for non-rotational staff.

GAC can be more intentional in co-ordinating trade, development and foreign policies. The deeper integration of the trade, foreign affairs and development business lines within geographic and functional branches holds promise for pursuing shared objectives and strengthening internal collaboration. Canada's trade policies are inclusive, considering gender equality, Indigenous rights, workers' rights and environmental protection. Continuing to implement commitments towards responsible business conduct and addressing the transboundary impacts of trade policies, could help further integrate the trade and policy agendas while maintaining development objectives as a pillar of foreign policy.

Canada's FIAP positions gender equality at the core of its development agenda, enhancing its global leadership on the topic. Canada's comprehensive approach is supported by tools such as Gender-based Analysis Plus, which ensures that projects address the realities of all individuals. Programming is consistent with the FIAP, and significant support is channelled through multilateral organisations and civil society. Achieving the ambitious targets set out in the FIAP requires sustained efforts, especially in emergency contexts, as illustrated by the drop in the share of bilateral ODA with gender equality objectives to 59% in 2022-23, due to the low focus on gender equality in loans provided to Ukraine. Developing mechanisms, such as high-level champions, could help protect and enhance the gender focus within and beyond GAC's development portfolio.

Canada champions and finances local women's rights organisations (WROs) and feminist movements. Such support is valued by partners in a difficult geopolitical context. The WVL programme embodies Canada's feminist approach and is a model for feminist and locally led programming, providing substantial, long-term support to WROs. While the programme has proved successful in strengthening the capacity of WRO, it could become even more inclusive by reaching smaller, marginalised groups.

Canada is scaling up innovative finance. Canada leverages its participation in multilateral fora to advocate for innovative financing solutions to bridge development funding gaps. Canada is also leveraging initiatives such as International Assistance Innovation Program managed by GAC and the recapitalisation of Canada's development finance institution, FinDev Canada. Expanding training and guidance on innovative finance across GAC, beyond the dedicated team, would help sensitise and integrate innovative mechanisms into GAC's broader portfolio and use them where most needed.

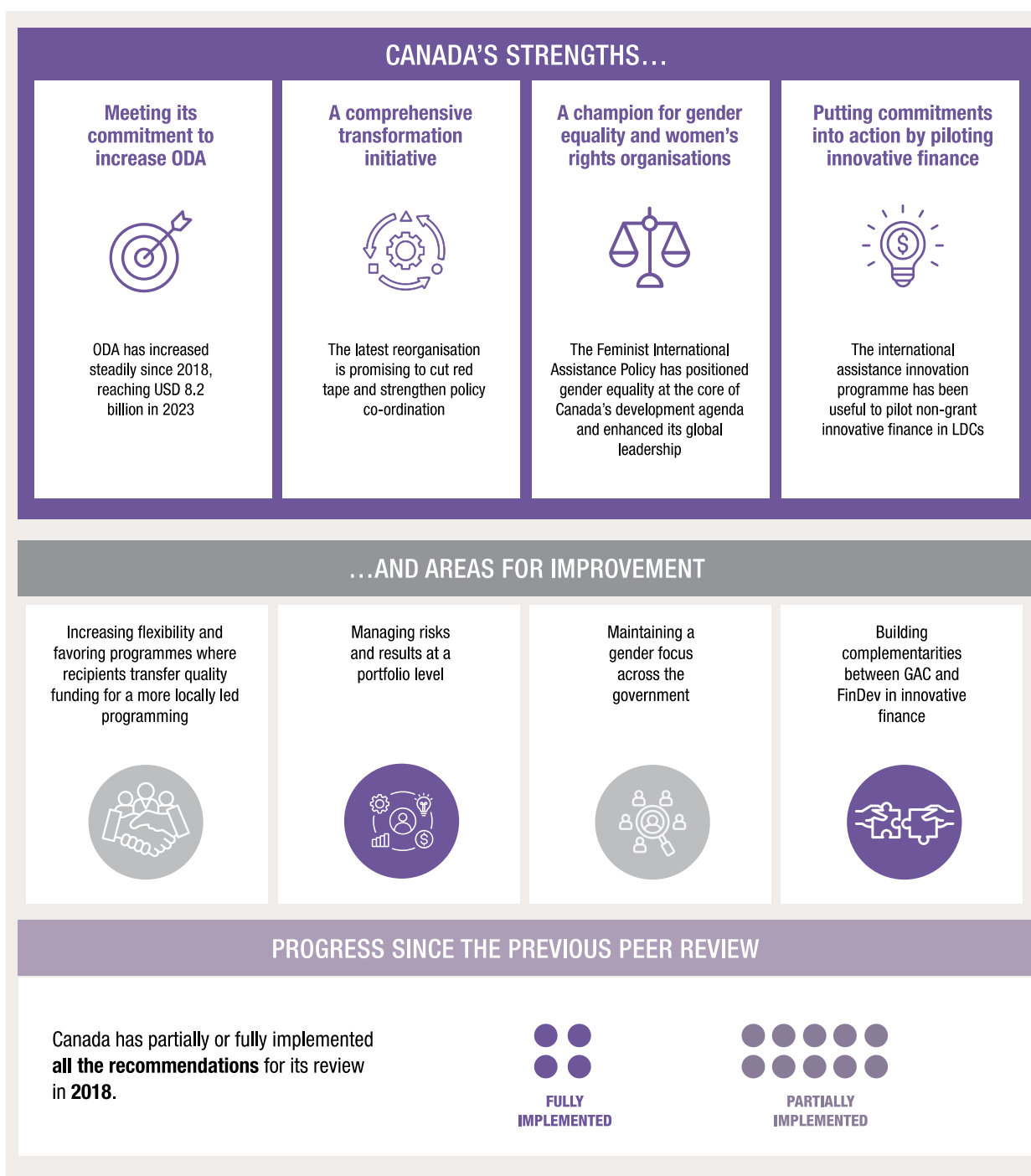
FinDev Canada has made promising strides, focusing on gender lens investing and sustainable investments. FinDev Canada has mainly provided direct debt, 91.6% of its support, followed by fund equity. FinDev Canada aspires to deliver development additionality and advancing market development, climate action and gender equality. Developing a comprehensive additionality framework could help define and measure development outcomes more explicitly. As FinDev Canada continues to grow, clarification of the complementarity and co-ordination mechanisms between GAC and FinDev Canada can ensure a whole of government approach – with space for GAC to focus on the enabling environment for harnessing private sector resources in the most challenging contexts.

The DAC's recommendations to Canada

1. Canada should continue to use its leadership in multilateral fora, such as the G7 and G20, to advocate for effective international assistance, with a particular focus on promoting gender equality and an inclusive international finance architecture.
2. To meet its commitment to increase the volume of international assistance, Canada should:
 - a. establish a roadmap with medium-term milestones either in volume or share of gross national income, thus providing budget predictability to the public and its partners,
 - b. pursue its communication efforts towards policy makers and citizens on the added value and results of development assistance.
3. Global Affairs Canada should strengthen the focus of its development co-operation on local priorities by:
 - a. ensuring that thematic commitments give sufficient budget flexibility for bilateral programmes to respond to local priorities,
 - b. continuing to decentralise authority to missions and embassies,
 - c. continuing to strengthen policy dialogue with national and local authorities.
4. Global Affairs Canada should accelerate the implementation of its Grants and Contributions Transformation Initiative by:
 - a. integrating lessons from pilots into business systems and maintaining feedback loops with stakeholders,
 - b. implementing its new portfolio approach to risk management and results monitoring.
5. Global Affairs Canada should accelerate progress on locally led development, for example by designing and favouring programmes where recipients transfer long-term, flexible and core funding to their local partners, building on the Women's Voice and Leadership programme experience.
6. Global Affairs Canada should improve the balance between tightly earmarked (earmarked for a specific theme and/or country) and softly earmarked funding (contributions to pooled funds and specific-purpose programmes and funds) to its multilateral partners to ensure that its partnerships also promote their integrity and added-value.
7. To maintain development objectives as a pillar of foreign policy, Canada should:
 - a. further assess and address the transboundary impact of its domestic policies,
 - b. ensure the relevant parts of the administration have the necessary resources to fulfil their mandate of promoting and supporting the implementation of responsible business conduct by Canadian companies abroad that align with and mutually reinforce development co-operation activities.

8. Canada should keep the strong focus of its development co-operation on gender equality, including the support for women's rights organisations, and keep-up the work and championing of this topic in a challenging global context.
9. Canada should strengthen accountability on gender equality across the administration to maintain coherence and consistency in the feminist approach, including by strengthening inter-departmental engagement.
10. To accelerate progress on innovative finance:
 - a. GAC should focus its use of innovative finance in the more challenging contexts, such as underserved markets, including by strengthening the enabling environment and building on lessons learned from its pilot instruments, thereby strengthening complementarity and co-ordination with FinDev Canada,
 - b. FinDev Canada should deepen its assessment of additionality and improve its measurement of its development impact.

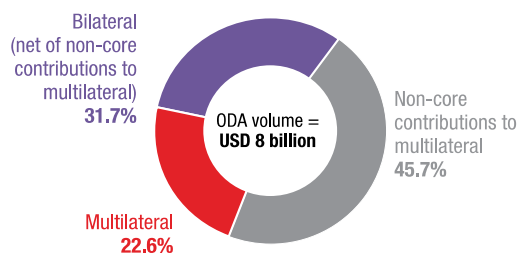
Infographic 1. Highlights from the 2025 Development Co-operation Peer Review of Canada



Infographic 2. Canada's development co-operation at a glance

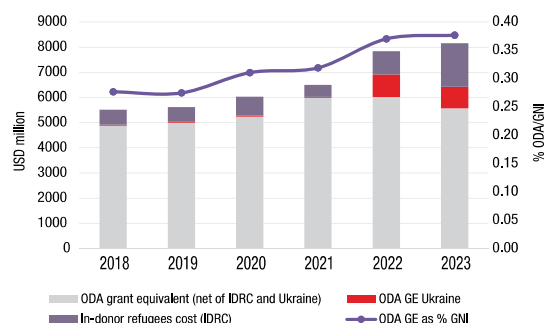
Figures expressed in USD million and 2022 constant prices unless mentioned otherwise.

CANADA IS THE 6TH LARGEST BILATERAL DAC PROVIDER OF ODA IN VOLUME 2022, current price

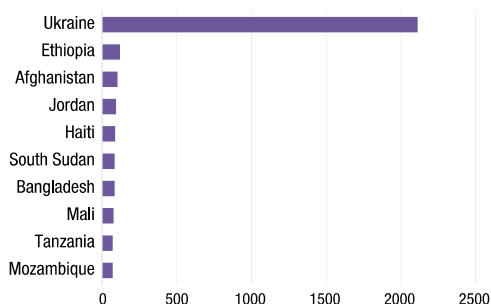


CANADA'S ODA IS RISING STEADILY, REPRESENTING 0.38% OF GNI IN 2023

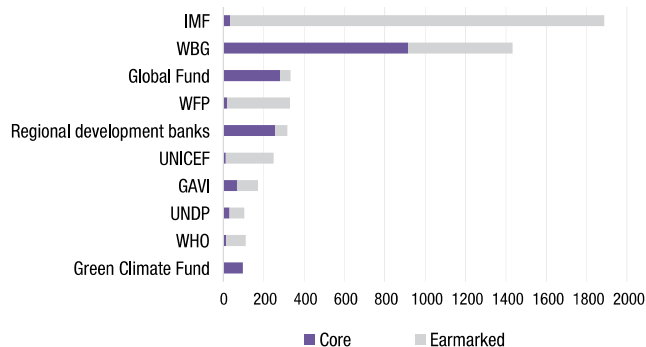
USD million and % of GNI



UKRAINE HAS BECOME BY FAR CANADA'S MAIN PARTNER COUNTRY 2022-23 average, disbursements

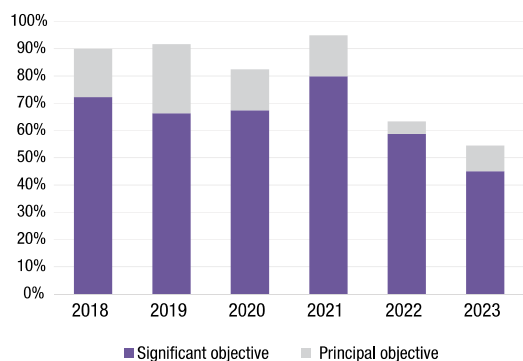


THE IMF AND THE UN RECEIVE THE BULK OF CANADA'S EARMARKED CONTRIBUTIONS TO THE MULTILATERAL SYSTEM 2022-23 average, disbursements



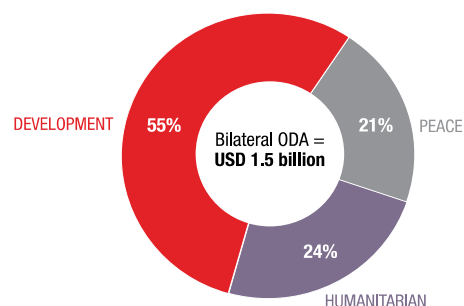
CANADA'S FOCUS ON GENDER EQUALITY IS STRONG BUT HAS BEEN DECREASING

Commitments, share of screened bilateral allocable ODA



HALF OF CANADA'S SUPPORT IN FRAGILE CONTEXTS IS THROUGH DEVELOPMENT ASSISTANCE

2022-23 average, disbursements



Findings

This report presents the findings of the 2025 development co-operation peer review of Canada and includes the relevant recommendations approved by the Development Assistance Committee (DAC). In accordance with the peer review methodology, the report focuses on four areas of Canada's development co-operation that were identified in consultation with Canada's partners and government representatives. The review analyses Canada's overall development co-operation and humanitarian assistance architecture and systems to see if they are fit for development effectiveness. It also explores the extent to which Canada's diplomacy, trade and development policies are integrated and co-ordinated, the implications of the feminist policy for Canada's international assistance, and Canada's efforts towards financing sustainable development. For each of these areas, the report identifies Canada's strengths and challenges, the elements enabling achievements, and both opportunities and risks ahead.

Context

A stable government over the period under review

The minority Liberal government, led by then prime minister Justin Trudeau, was in office over the period of review (2018-24). The Trudeau government was elected in the 2015 federal elections before being re-elected as a minority government in the 2019 and 2021 federal elections. While five ministers have overseen international development since 2018, they showcased continuity by working under one overarching policy for development assistance, the Feminist International Assistance Policy (FIAP), launched in 2017 and considered to be one of Canada's trademarks, positioning Canada as a champion of gender equality.

The government in office during the period under review presented itself as progressive and feminist, committed to “fighting climate change, creating good middle-class jobs, making life more affordable, keeping Canada's communities safe, and moving forward on reconciliation with Indigenous Peoples” (Office of the Prime Minister of Canada, n.d.^[1]). Within this overall frame, the Minister of Foreign Affairs was tasked with leading “Canada's contribution to addressing global challenges and strengthening Canada's diplomatic capacity”, placing “the promotion of democracy, human rights, gender equality and the rule of law, as well as combatting climate change, at the core of Canada's foreign policy” (Office of the Prime Minister of Canada, 2021^[2]). The Minister for International Development was tasked with supporting “developing countries in their fight against COVID-19, including supporting their health systems and economic recovery” and contributing to “global efforts to eradicate global poverty and to assist those most in need, including by providing humanitarian assistance and ensuring Canada's FIAP addresses inequalities and empowers women and girls, specifically through education and in the global care economy” (Office of the Prime Minister, 2021^[3]).

With a strong economy, Canada aims to be an influential international player

Canada is an open economy. Canada's economy, the ninth-biggest worldwide and the smallest of the Group of Seven (G7), is driven by a combination of natural resources and advanced industries. In addition to automotive and aerospace manufacturing, Canada is one of the world's largest producers of oil, natural gas and hydroelectric power and a top exporter of gold, nickel, uranium, potash, timber and agricultural products. Trade is an integral part of the Canadian economy and is closely integrated with the United States (US) economy, with 78% of Canada's goods exports going to the US. Trade represents two-thirds of Canada's gross domestic product (GDP), and exports alone support nearly 3.3 million, or one in six, Canadian jobs (Global Affairs Canada, 2024^[4]). Raw materials, in particular fuels, are Canada's main export goods, meaning that Canada specialises in the early (upstream) production stages of the supply chain, and energy products account for about 23% of its merchandise exports (Global Affairs Canada, 2024^[4]).

Canada's economy has proved resilient in the face of challenging global conditions. Canada experienced a robust post-pandemic recovery in output and revenues (OECD, 2024^[5]). Enhancing productivity to support long-term improvement in living standards while also decarbonising production to eliminate net greenhouse gas emissions by 2050 were identified as critical challenges for Canada (OECD, 2023^[6]).

Canada's international development assistance focuses on poverty reduction and gender equality but lacks an overall funding target

Canada's legal framework focuses official development assistance (ODA) on poverty reduction and its policy framework provides a strong mandate to focus on gender equality. The legal framework provides provisions for ODA to be delivered in a manner that is consistent with Canada's foreign policy,

values and with a central focus on poverty reduction: the explicit aim of the 2008 Official Development Assistance Accountability Act is to ensure that all the country's ODA "is provided with a central focus on poverty reduction" (Government of Canada, 2008^[7]). The FIAP precises the overall vision. It identifies gender equality and the empowerment of women and girls as the core action area for Canada's international assistance, cutting across all five of the other action areas of human dignity (health and nutrition, education, gender-responsive humanitarian action); growth that works for everyone; environment and climate action; inclusive governance; and peace and security (Global Affairs Canada, 2017^[8]).

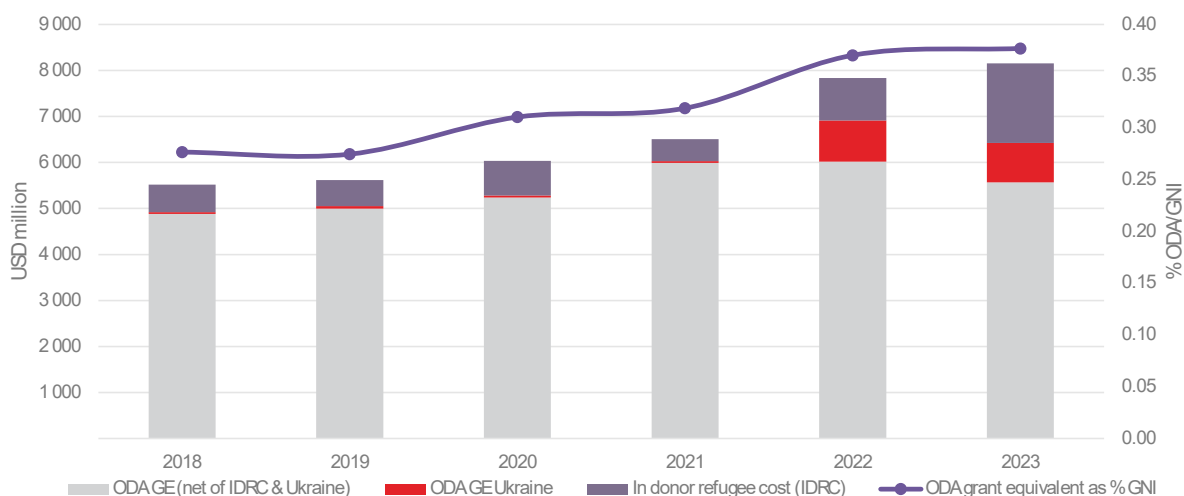
The mandate letter from the Prime Minister to the Minister of International Development and funding commitments further specify priorities. The 2021 mandate letter reasserted Canada's commitment to eradicating global poverty; ensuring that the FIAP addresses inequalities and empowers women and girls, specifically through education, improving sexual and reproductive health and rights, and supporting the global care economy; and supporting the health systems and economic recovery of developing countries. In line with this vision, Canada made specific financial commitments, namely to:

- address gender inequality throughout Canada's bilateral international development assistance with mainstreaming and targeted action¹ (see also Implications of the feminist policy for Canada's international assistance)
- allocate CAD 1.4 billion annually from 2020 to 2030 to support global health and rights, with at least CAD 700 million dedicated to comprehensive sexual and reproductive health and rights
- double its climate finance contribution to CAD 5.3 billion over five years (2021-26), with a focus on climate change adaptation and biodiversity
- direct 50% of GAC's bilateral development assistance to sub-Saharan Africa
- dedicate CAD 100 million over five years to small and medium-sized Canadian civil society organisations (CSO)
- invest CAD 100 million over five years to address inequalities with unpaid and paid care work in low- and middle- income countries through standalone care programming.

Canada's development co-operation is increasing in volume in line with the government's commitment to increase the volume of international assistance every year to 2030. It is also increasing as a share of gross national income (GNI). In 2023, Canada provided ODA totalling USD 8 billion (USD 8.2 billion in constant terms), the seventh-highest in terms of volume among Development Assistance Committee (DAC) members and sixth-highest among DAC countries (i.e. excluding the European Union). Its ODA has increased steadily since 2018 both in volume and as a share of GNI (Figure 1). In-donor refugee costs and the sharp rise in support to Ukraine account for the significant increase in ODA over 2022 and 2023. Discounting these two items, budget allocations to ODA slightly decreased over the last two years. Financial support to Ukraine explains some changes in the characteristics of Canada's development assistance, such as the share of ODA under the responsibility of government agencies and channels of delivery.

Figure 1. Support to Ukraine contributed to sustained increases in ODA after 2021

Grant equivalent (GE), USD million and as percentage of GNI, constant 2022 price



Note: IDRC = in-donor refugee costs.

Source: OECD (2025^[9]), *OECD Data Explorer, Creditor Reporting System (database)*, <http://data-explorer.oecd.org/s/3c>.

StatLink  <https://stat.link/t7aru4>

A clear, indicative target and roadmap for international assistance could strengthen predictability and improve the ability of GAC and partners to plan strategically for long-term objectives. The government of Canada has committed to annual increases in its international assistance envelope (IAE), which covers most programmable ODA (Box 1). This commitment has translated into constant ODA growth since 2018 and an overall increase of the IAE. The federal government's latest international assistance envelope is forecasted to be CAD 7.88 billion compared with CAD 8.82 billion in 2023-24. This projection does not account for incremental funds that may be allocated throughout the full fiscal year.

Box 1. The international assistance envelope: Canada's budgetary tool for development assistance

The IAE is a dedicated, whole-of-government pool of resources for international assistance managed by the ministers of Foreign Affairs, International Development, and Finance. It is the main federal budgetary tool that funds international assistance delivered through federal government departments and agencies in Canada. In the 2022-23 fiscal year, it covered 81% of Canada's overall international assistance.

Most of the activities funded by the envelope qualify as ODA and comply with the OECD-DAC and Canada's *Official Development Assistance Accountability Act* requirements that they contribute to poverty reduction, take into account the perspectives of the poor, and are consistent with international human rights standards.

The IAE funds certain non-ODA-eligible activities such as non-lethal security, conflict prevention, stabilisation and peacebuilding initiatives, and on an exceptional basis, other activities that do not meet ODA eligibility requirements due to country eligibility or activity type. In 2022-23, 75% of the envelope was ODA eligible, according to the DAC definitions.

The IAE does not include all ODA flows from Canada. The envelope does not account for flows delivered through subnational (provincial, territorial, municipal) channels, nor does it include funding allocated through other government expenditures (e.g. first-year costs of refugees from developing countries in Canada); non-budgetary items (e.g. bilateral debt forgiveness); or imputed values (e.g. developing country students studying in Canada).

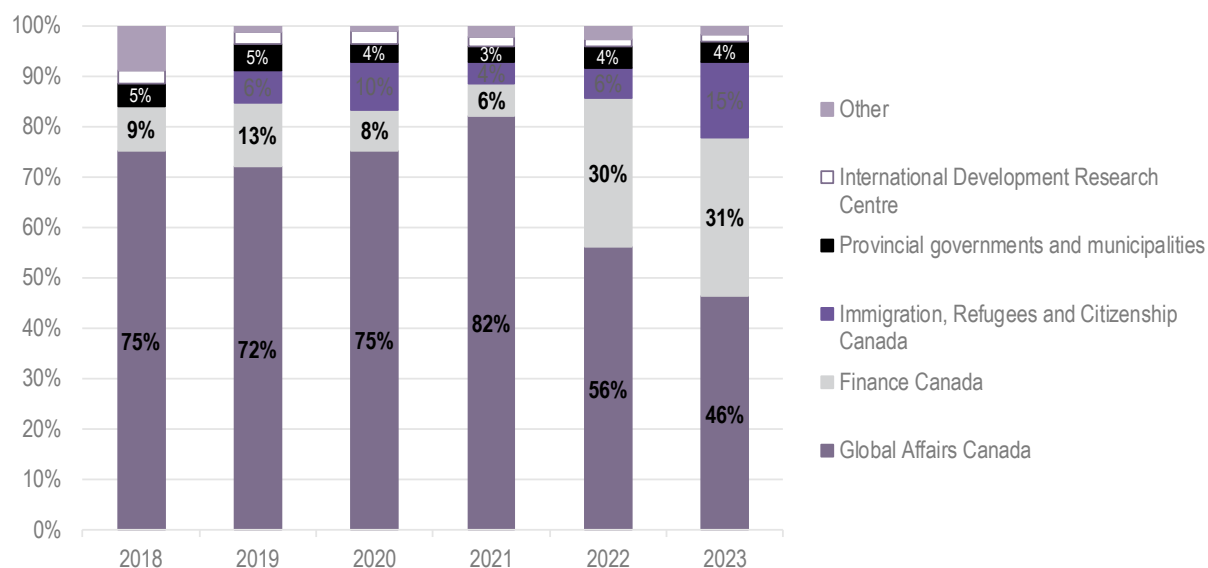
Source: Global Affairs Canada (2024^[10]), *Statistical Report on International Assistance: Fiscal Year 2022-2023*, <https://www.international.gc.ca/transparency-transparence/international-assistance-report-stat-rapport-aide-internationale/2022-2023.aspx?lang=eng>.

One integrated department, Global Affairs Canada (GAC), is responsible for most of Canada's development co-operation

GAC leads Canada's development co-operation. GAC is an integrated department responsible for foreign affairs, export promotion, international trade and economic development as well as international development. Each business line is under the leadership of a dedicated minister. GAC provides funding to partner country governments as well as multilateral and civil society organisations, institutional support to multilateral organisations, humanitarian assistance, and support for security and stabilisation in fragile and conflict-affected contexts. Additionally, GAC shares the responsibility for delivering international assistance to international financial institutions with the Department of Finance. Until 2022, GAC disbursed the vast majority of Canada's ODA (75% in 2020 and 82% in 2021). Since then, the Department of Finance Canada has delivered a higher share than previously, as it administers the loans for Ukraine (Figure 2). GAC is undergoing a transformation exercise to make the most of the strength of an integrated department. The rational and expected impact of this transformation is addressed throughout the report.

Figure 2. GAC disburses most of Canadian ODA, though its share of the total declined after 2021

Shares of total ODA disbursed by different Canadian public agencies, gross disbursement

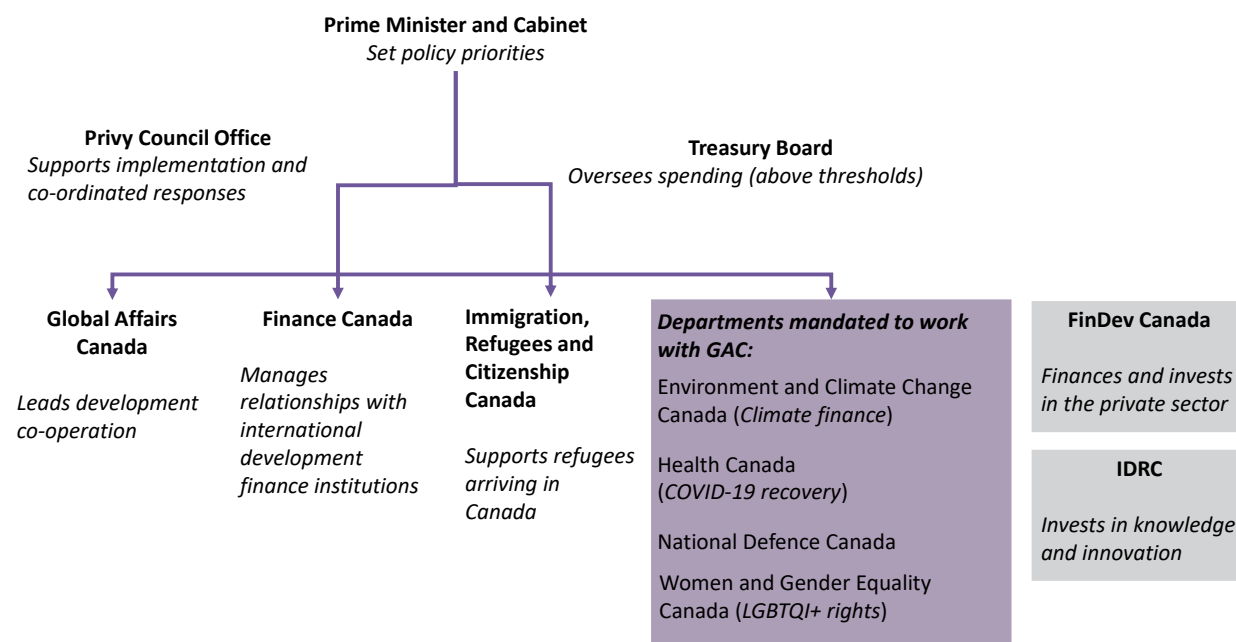


Source: OECD (2025^[9]), *OECD Data Explorer, Creditor Reporting System (database)*, <http://data-explorer.oecd.org/s/3c>.

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The department of Finance Canada is the second largest agency, after GAC, disbursing Canada's development assistance, and shares responsibilities for financing of international financial institutions. Finance Canada manages Canada's relationship with the World Bank Group, the International Monetary Fund and the European Bank for Reconstruction and Development and regarding multilateral and bilateral debt relief. Immigration, Refugees and Citizenship Canada and the provinces and territories support refugees arriving in Canada. Sixteen additional federal departments support development co-operation, with four of them specifically mandated to work with GAC to advance some of Canada's international assistance priorities globally (Figure 3). Co-ordination mainly takes place through inter-departmental committees and will become increasingly important as ODA becomes more spread across government. Two additional Crown corporations complement this set-up: the International Development Research Centre (IDRC) which invests in knowledge, innovation and solutions to improve lives and livelihoods in developing countries and FinDev Canada, the federal development finance institution (DFI), which finances and invests in the private sector in developing countries. Federal Crown corporations are independent from the government but accountable to the Parliament through the Minister of International Development.

Figure 3. Canada's development co-operation set-up



Note: The departments mandated to work with GAC were identified from the 2021 mandate letter to the Minister for International Development. IDRC= International Development Research Centre.

Recommendation

- To meet its commitment to increase the volume of international assistance, Canada should:
 - establish a roadmap with medium-term milestones either in volume or share of gross national income, thus providing budget predictability to the public and its partners,
 - pursue its communication efforts towards policy makers and citizens on the added value and results of development assistance.

Fit for development effectiveness

Canada advocates for development effectiveness globally

Canada has a comprehensive understanding of development effectiveness – with a whole-of-society approach. With its FIAP, Canada committed to gender-responsive, transparent, human rights-based and predictable assistance and effective partnerships that respond to local needs and priorities, both focused on results and in line with development effectiveness principles. Canada advocates for a whole-of-society understanding of ownership to better respond to local needs, opportunities and context and to better reflect the nature of its relationships with partner countries. As such, Canada supports the inclusion of women and girls and Indigenous Peoples in decision making and has committed to locally led development. The International Development Research Centre's mandate to support the uptake of local research is another example of this commitment (OECD, 2021^[11]). While Canada recognises that partner

country governments at all levels should be “primary partners for Canada’s international assistance” (Global Affairs Canada, 2017^[8]), it is less evident that partner governments have an active engagement in the design of Canada’s international assistance beyond alignment to national priorities and possible participation in project steering committees, as was noted in previous DAC peer and mid-term reviews (see Internal incentives lead Canada to partner with established organisations).

Building on its policy commitments, Canada advocates for the effectiveness agenda in multilateral fora. Canada is participating in and actively listening to discussions on effectiveness – including in the DAC where it co-facilitated the informal reference group on development effectiveness with Switzerland – and has engaged actively in the reform of Global Partnership for Effective Development Co-operation (GPEDC) monitoring. Canada is active on the boards of multilateral organisations and recognised and valued by partners for its vocal advocacy on these matters, in particular on locally led approaches.

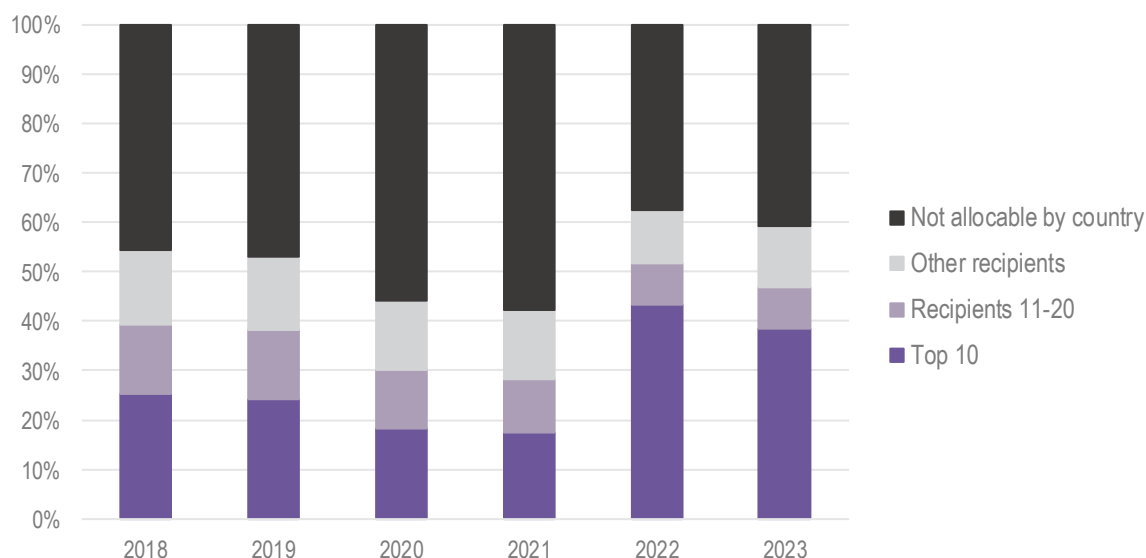
Strict high level funding commitments challenge flexible programming

Most of Canada’s development assistance is programmed vertically and aims to meet funding commitments under the FIAP. The FIAP outlines key thematic priorities, while also setting targets towards specific gender equality and geographic goals. Additional large funding commitments have also been made in line with FIAP thematic areas, for example in global health, sexual and reproductive health and rights, and climate (the list of the main financial targets is presented in Canada’s international development assistance focuses on poverty reduction and gender equality but lacks an overall funding target). These funding commitments are tracked monthly to ensure that targets will be reached across branches and programmes and are also reported on annually, thereby directly influencing the scope and content of GAC’s bilateral development assistance.

Canada has moved away from its countries of focus approach, and geographic programming makes up a smaller share within the envelope for international assistance. The rationale for a move away from countries of focus was to respond better and more nimbly to local needs and allow Canada to engage in more partner countries as needs emerge. Bilateral assistance from geographic programmes in 2022-23 represented 25% of GAC’s bilateral aid funded through the envelope (Global Affairs Canada, 2024^[10]), down from the 38% share in 2017 (OECD, 2018^[12]). Prior to 2021 and the unprecedented support to Ukraine, the share of bilateral ODA allocated to Canada’s top ten partners had been steadily decreasing in favour of ODA disbursements unallocated by country (Figure 4). This means that in practice, most programming - except that for Ukraine - is now designed and administered outside of GAC geographic branches and with a stronger thematic than geographic angle.

Figure 4. A large share of Canada's ODA was not allocable by country between 2018 and 2022 until unprecedented support to Ukraine

Bilateral ODA across recipients, gross disbursements, percent share



Note: The increased share of bilateral ODA unallocated by country in 2020 and 2021 is also explained by Canada's response to the COVID-19 pandemic through multilateral organisations.

Source: OECD (2025^[9]), *OECD Data Explorer, Creditor Reporting System (database)*, <http://data-explorer.oecd.org/s/3c>.

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While GAC aims to tailor its programmes to local contexts, its supply-driven approach can reduce the scope for locally responsive strategies and programming. Canada's partners in developing countries value GAC's investments in building a culture of trust and openness, the time that it dedicates to building on their expertise and agreeing on shared objectives, and the access they have to multi-year and flexible financing within Canada's priorities and set objectives. Nonetheless, the cumulation of strict funding commitments that cover a large share of the bilateral envelope and limited geographic programming restrict space for a bottom-up approach to identifying needs. On the positive side, this approach, together with a feminist policy, contributed to creating a clear identity for Canada's development co-operation, globally and within partner countries, and to focusing the geographic programming undertaken in countries, as evidenced during the peer review mission to Nigeria. It however differentiates Canada from many other DAC members whose budgeting, decision making and programming centre around partner countries and are debated within the geographic contexts and with national and local stakeholders, enabling a stronger sense of local ownership. With a strong thematic approach, Canada might not always be in the best position to support partner countries' most pressing priorities in contexts where FIAP priorities and funding targets do not fully align with local priorities. For instance, the country programme in Colombia might have supported different sectors had funding targets been more flexible.

Reforms to programming and increased decentralisation are promising to deliver on effectiveness commitments

GAC has put in place new mechanisms to rebalance thematic and geographic programming, giving more space and predictability to geographic branches. Since 2023, all programming branches, including geographic branches, have received three-year indicative budgets. Geographic branches'

budgets can then be subdivided by countries and sub-region to increase predictability or can be kept at a regional level for flexibility. This increased predictability should support more strategic and integrated planning. GAC is also trying to have a better overview of all the activities Canada funds in each country, including activities funded through earmarked contributions to multilateral organisations and international non-governmental organisations (NGOs). As observed in Nigeria, conducting this mapping exercise and engaging with each implementing partner is resource intensive for mission staff. This is however a good practice and critical to identifying complementarities between projects, learning opportunities and opportunities to influence partners.

GAC has yet to take a clear stance on designing integrated country frameworks. According to GAC evaluations, programming through thematic and funding channels led in some instances to fragmentation, overlap, inefficiencies, and conflicting objectives (Global Affairs Canada, 2024^[13]). As GAC moved away from a countries of focus approach and stopped systematically drafting development assistance country strategies, it did start piloting integrated country strategies encompassing trade, diplomacy, and development objectives. According to GAC internal assessments, pilots have proven useful in building synergies across funding channels and supporting strategic planning and predictability. Interviews conducted during the review process also confirmed demand from both partner countries and implementing partners for such a tool as it supports open and transparent exchanges on priorities as well as country buy-in. However, given the administrative effort such planning requires, GAC is currently presenting these country strategies as a nice-to-have rather than a must-have. A more systemic use of country strategies in countries receiving most of Canada's funding would support Canada's commitment to country and local ownership, provide a better overview of support, and more clearly set out the intention and objectives of Canada's efforts in a particular country, thereby assisting the missions in their work (see also (see also Financing sustainable development, from advocacy to mobilising innovative finance)).

Increased financial delegation from the Treasury Board has the potential to make GAC a more flexible department. As recommended by the 2018 DAC peer review (OECD, 2018^[12]), in May 2018 the Minister of International Development's financial delegation was raised from CAD 20 million to CAD 50 million for agreements entered into with bilateral partners and to CAD 100 million for those entered into with multilateral partners. The minister was also granted authority to commit funds over several fiscal years and reallocate funds between different programme envelopes (e.g. geographic or thematic areas) with increased budget line flexibility provided the changes do not exceed the approved total budget for international assistance. This reform contributed to accelerating processes and improved GAC's ability to adjust to evolving contexts in a timely manner. Ongoing efforts to maintain flexibility and streamlined procedures, and to pursue opportunities where programming is assessed as low risk, would be an asset for co-ordination among government agencies.

Increased internal decentralisation is giving more space to local perspectives in decision making. At the time of the review, heads of missions and co-operation had limited delegation of authority² with most decisions made in headquarters. As part of a transformation initiative aimed at reforming the whole department (see also Policy integration and co-ordination: diplomacy, trade and development), GAC is also planning to strengthen the role of head of missions as chief executive officers to reinforce their ability to co-ordinate and integrate Canadian priorities as well as to give them more discretion over the reallocation of resources to match evolving priorities. As concluded in the DAC peer learning on locally led development co-operation (OECD, 2024^[14]), increased autonomy in country offices should support more locally responsive and adaptive partnerships as it creates space and opportunities for local agency in programme design, delivery and evaluation. To inform its decentralisation efforts, Canada could learn from peers that balance decentralised systems with central thematic programmes, among them the United Kingdom, which has experience with sign-off by country offices of centrally managed programmes (OECD, 2020^[15]). Finally, the creation of the heads of missions council should amplify the voice of Canadian missions and embassies and enhance the influence of local contexts in decision making across GAC.

While Canada aims to support deployment abroad and build on local expertise, limited career opportunities and internal movement for local staff undermines their full recognition. As part of its transformation initiative, Canada committed to supporting deployment abroad. In partner countries, partners appreciate regular project visits (see also More can be done to use results for learning and decision making). However, access to country experiences, especially for non-rotational staff, remains a challenge (see also Policy integration and co-ordination: diplomacy, trade and development). With more than 80% of GAC's Canada-based employees (or centrally hired) residing in Canada, missions rely on locally engaged staff, who make up on average 80% of GAC staff in missions³ in positions ranging from assistants to project officers. GAC supports its local staff in their roles by providing access to internal trainings and participation in corporate governance. However, the career progression of locally engaged staff is limited to project officers, a challenge for their full recognition given that local staff can bring understanding and sensitivities to local contexts. GAC's ongoing reflections on facilitating cross-country movement for locally employed staff are, however, encouraging. The field support services programme (FSSP) has also proven useful in supporting missions in their administrative tasks as well as contributing to their understanding of local contexts (Box 2).

Box 2. The field support services programme: understanding local contexts to better inform programming decisions

The FSSP was designed to support Canada's embassies and missions with local administrative, logistical, technical and financial services for the implementation of the development programme in specific countries or regions. The programme can also be used to provide analysis to partner government counterparts as well as technical assistance and capacity building for local partners and national and local authorities to strengthen policy dialogue on mutual priorities, expand knowledge on local development issues and support the development of innovative programming approaches.

Technical experts, recruited through multi-year framework contracts, tend to be local experts, thereby strengthening Canada's access to local and specialised knowledge in a flexible manner. The programme has proven useful in supporting missions in their work and their understanding of local contexts, including when there is a limited number of mission staff, as observed in Nigeria for instance.

As noted in the 2018 DAC peer review, the FSSP outsources research and analysis. Given the rotation of Canadian staff, it is critical to invest in knowledge management outside of this programme to maintain institutional memory within GAC and ensure that local knowledge informs programme decision-making including in headquarters.

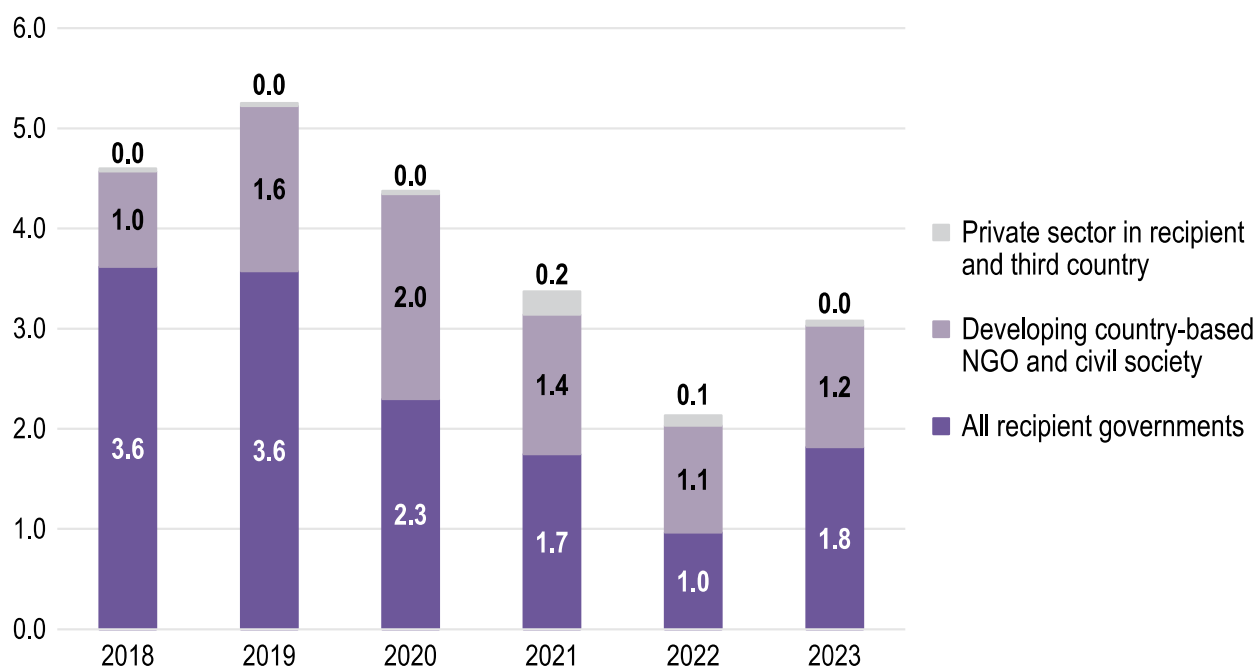
Internal incentives lead Canada to partner with established organisations

Canada seldom uses partner countries' national and local channels of delivery, and its engagement to strengthen partner government ministries to deliver programmes is limited. While the FIAP recognises the role of partner country governments at all levels in establishing priorities for international assistance and as primary partners for Canada's international assistance, the actual support channelled through governments steadily declined from 2015 to 2022, with only a small increase in 2023 (Figure 5). In 2023, 3.1% of Canada's bilateral ODA was delivered through national and local channels, such as governments, civil society and the private sector. ODA to national and local governments represented 1.8% of bilateral ODA - a 1 percentage point increase over 2022 that was mainly due to a sovereign loan for Jordan's education sector. In addition to direct funding to national and local governments, implementing partners have highlighted the importance of also maintaining and deepening dialogue with public authorities to reach development outcomes. In Nigeria, for instance, partners count on the mission to

maintain its critical diplomatic engagement on issues dear to Canada such as gender equality and the rule of law. Direct funding to developing country-based CSOs was relatively stable over the period under review, representing only 1.2% of bilateral ODA in 2023 and 7.3% of CSO funding, with a peak in 2019.

Figure 5. Bilateral ODA channelled through partners' national and local governments is decreasing

Bilateral ODA by channel codes, gross disbursement, percent share



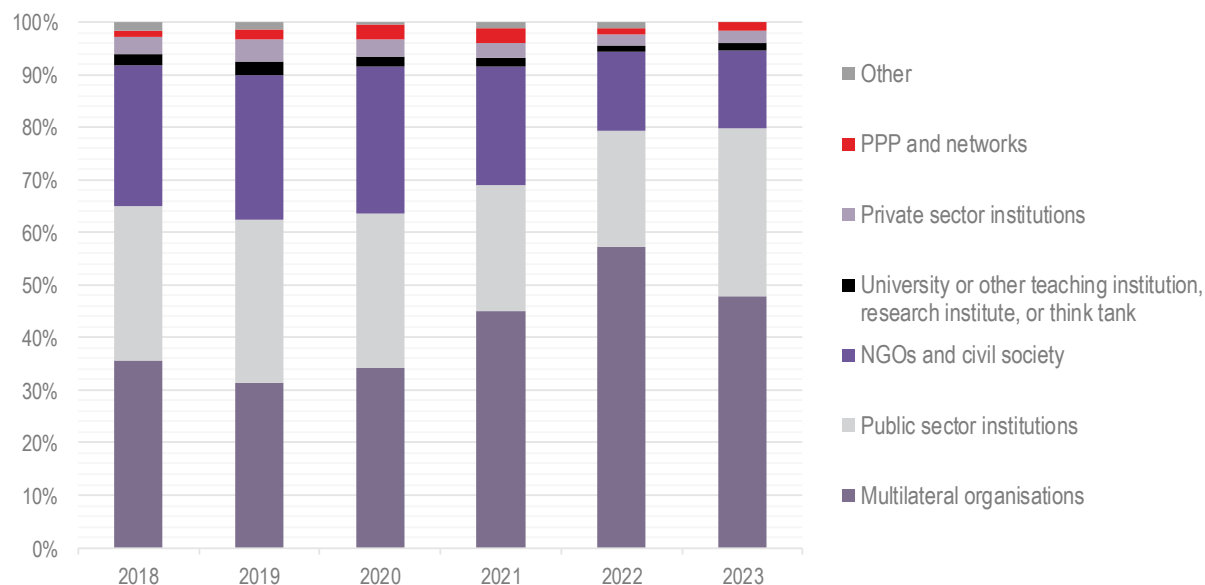
Source: OECD (2025^[9]), OECD Data Explorer, Creditor Reporting System (database), <http://data-explorer.oecd.org/s/3c>.

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Multilateral organisations are Canada's preferred partners for implementing bilateral support, but funding modalities risk undermining multilateral effectiveness. Over 2022-23, Canada disbursed 51.3% of its bilateral ODA through multilateral organisations (Figure 6), its preferred partner because of their ability to engage in difficult geopolitical contexts, their in-country reach and networks, and their capacity to engage in specific sectors on a large scale. This channel of delivery has been increasingly used since 2020 also due to their role in the COVID-19 response. While this choice of partnership has a clear rationale, the fact that most of the funding is earmarked may undermine the added value and efficiency of using the multilateral system (OECD, 2024^[16]). Indeed, while Canada is valued for being respectful of the internal systems of multilateral organisations, it ranks third among DAC members, after Iceland and the United States, in terms of earmarking its ODA in multilateral contributions. In addition, project-type earmarked funding for a specific theme and/or country has picked up since 2021, accounting for 58.1% of Canada's non-core contributions in 2023. Such earmarking can increase programme fragmentation within multilateral organisations, especially those receiving a limited share of core funding, and undermine the coherence of their mandates. Closely monitoring this share and rebalancing when needed would help GAC ensure that its partnerships are supportive of the added value of the multilateral system.

Figure 6. Canada's bilateral ODA is mainly implemented through multilateral organisations

Bilateral ODA by channels of delivery, gross disbursement, percent share



Note: PPP= Private-public partnerships.

Source: OECD (2025^[9]), *OECD Data Explorer, Creditor Reporting System (database)*, <http://data-explorer.oecd.org/s/3c>.

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Canada tends to work with a limited number of established Canadian CSOs. The share of bilateral ODA channelled to and through NGOs and CSOs sharply decreased after 2020 from a peak of 27.6% in 2019-20 to 15% in 2023. Parallel to the declining share of ODA to and through CSOs, funding for CSOs to implement projects initiated by Canada tended to be more concentrated in big Canadian organisations. An analysis for Cooperation Canada found that the top 20 Canadian CSOs received an average of 61% of GAC disbursements to and through Canadian CSOs in the fiscal years 2020-21 and 2022-23 (AidWatch Canada, 2023^[17]). Delivery through CSOs is mainly through calls for proposals, most of them called and programmed at GAC headquarter level with set expected outcomes. A peer learning mission to Colombia on locally led development found, however, that competitive funding mechanisms do not create incentives for collaboration between local actors or support cross-sectoral and thematic programming. CSO partners in Canada also pointed to the fact that competitive funding limited their ability to design and implement programmes connecting humanitarian, peace and security objectives.

As Canada looks to diversify its partnerships, its aspiration to work more through Canadian civil society should go hand in hand with its localisation efforts. Canada has developed and strengthened tailored funding instruments to diversify its partnerships and facilitate engagement with smaller and local organisations such as the Canada Fund for Local Initiatives (CFLI)⁴; the Women's Voice and Leadership (WVL) programme (Box 5), and the Equality Fund,⁵ as well as with programming windows for small and medium Canadian organisations for impact and innovation.⁶ Canada also aspires to increase engagement through Canadian CSOs: it has recently committed to dedicate CAD 123 million to a pilot initiative targeted at Canadian small and medium organisations (SMOs). Working through Canadian civil society can be useful in leveraging Canadian skills and expertise and indirectly strengthening public support for international assistance. Canadian organisations also have a long-standing experience partnering with local partners.⁷ However, an inflexible funding target to Canadian CSOs might impact GAC's ability to

identify the best partners in different contexts. In some contexts for instance, local civil society and the private sector are strong and well organised and well suited to implement programmes, as was observed in Colombia, in others, Canadian organisations do not have strong experience, as observed in Nigeria, and in others, Canadian organisations could face high security threats. An inflexible funding target could also result in missed opportunities to further build on the growing network of local women's rights organisations (WROs) that Canada has been supporting. In addition, setting a funding target for working with domestic organisations seems at odds with Canada's localisation efforts also in light of the fact that only 7.3% of its total funding to and through CSOs is directed to developing country-based NGOs and civil society, placing Canada 16th among DAC peers in terms of providing direct support for CSOs in partner countries. Supporting the uptake of different roles for Canada-based civil society - including as advocates, interpreters and connectors for instance - and creating strong incentives to pass on quality funding (flexible, long-term and core) to local actors will be critical to ensure that increased partnerships with donor country-based organisations do not undermine development effectiveness and locally led development commitments (OECD, 2024^[18]).

Pursuing adjustments to funding incentives can help build more efficient and equitable partnerships. Incentive structures and a limited appetite for risk encourage working with established intermediaries able to meet Canada's high due diligence requirements. While GAC is working to speed up its administrative processes, engage with more diverse partners and live up to its locally led development commitments (see also the analysis on the Grants and Contributions Transformation Initiative), there is space to work on the incentives offered to intermediaries to support the locally led agenda, in particular with regard to the transfer of quality funding (multi-year, flexible, covering overheads and core activities, pass-on thresholds, etc.), and to explore ways to better track the pass on of flows for Canadian and international CSOs to partner country CSOs.

The Grants and Contributions Transformation Initiative (GCTI) is a strong signal of GAC's ambitious efforts to facilitate partnerships for diverse partners

The GCTI aims to modernise Canada's international assistance by making grants and contributions more efficient, transparent, and responsive while reducing administrative burdens. GAC and partners are unanimous about the need to reform GAC administrative processes to improve efficiency. Despite some progress in reducing processing time frames, projects still take about 18 months from inception to start of implementation. The time frame to apply for competitive funding opportunities is short, but applicants must be vetted each time they apply. Moreover, while many partners commend GAC's pragmatic focus on results and flexibility once projects are approved, it was recognised that the weight and frequency of required reporting create an administrative burden. To streamline and simplify its processes, GAC in 2022 launched the GCTI (OECD DAC, 2024^[19]). Notable approaches under this initiative include a FailSmart Lab to test new and simplified solutions; the development of a single core management process for funding streams across GAC (Box 3); integrating the new solutions and processes into a new single-window information technology (IT) system; exploring the use of innovative data collection and storage solutions, including artificial intelligence to reduce overall administrative burden for all parties; standardised tailoring of risk and due diligence approaches; streamlined project implementation plans; and exploring flexible reporting formats (e.g. videos and replacing the semi-annual report with structured meetings) (OECD DAC, 2024^[19]).

Box 3. Canada's FailSmart Lab: learning by doing with partners

As GAC transforms its approach to grants and contributions, it is applying a so-called smart failure approach with the objective of learning by trial and error directly with external partners through a FailSmart Lab.

The lab functions as an information feedback loop. It is a space to pilot and experiment with tools and approaches such as budget templates, framework agreements, reporting tools, and project management systems (e.g. project data structure, project management prototype, improved risk management) and to seek feedback as priorities are set and pilots launched. GAC plans to integrate lessons from these pilots into its revised business processes and the future information technology system. There is, however, a risk that multiple priorities and initiatives, new tools, and innovations may distract from deeper system change. For example, there is high demand for programmes to be pilots, but systematising the learning from these will be important to see the benefits across the whole portfolio.

Among others the FailSmart Lab is testing solutions obtained through a hackathon in June 2023 where over 350 Canadian and International CSOs, including local partners and GAC employees, worked side by side to explore solutions for increasing GAC's risk appetite, simplifying project proposal and due diligence processes, increasing flexibility in GAC's programming results and financial reporting, and advancing its commitment to localisation.

Locally led development considerations are integrated into various aspects of the GCTI but could be incorporated to make Canada's aid system more responsive. A part of the GCTI is designed to improve access for a range of organisations, especially SMOs by simplifying due diligence and enhancing risk assessment processes. The initiative also aims to facilitate a systematic mapping of opportunities for advancing locally led development and an inclusive approach to monitoring, evaluation and learning. Considering that the GCTI is at an early stage, it is too soon to see systemic changes as a result of the initiative. Quick progress on this matter would benefit Canada's overall bilateral portfolio and support more equitable partnerships throughout its international assistance.⁸

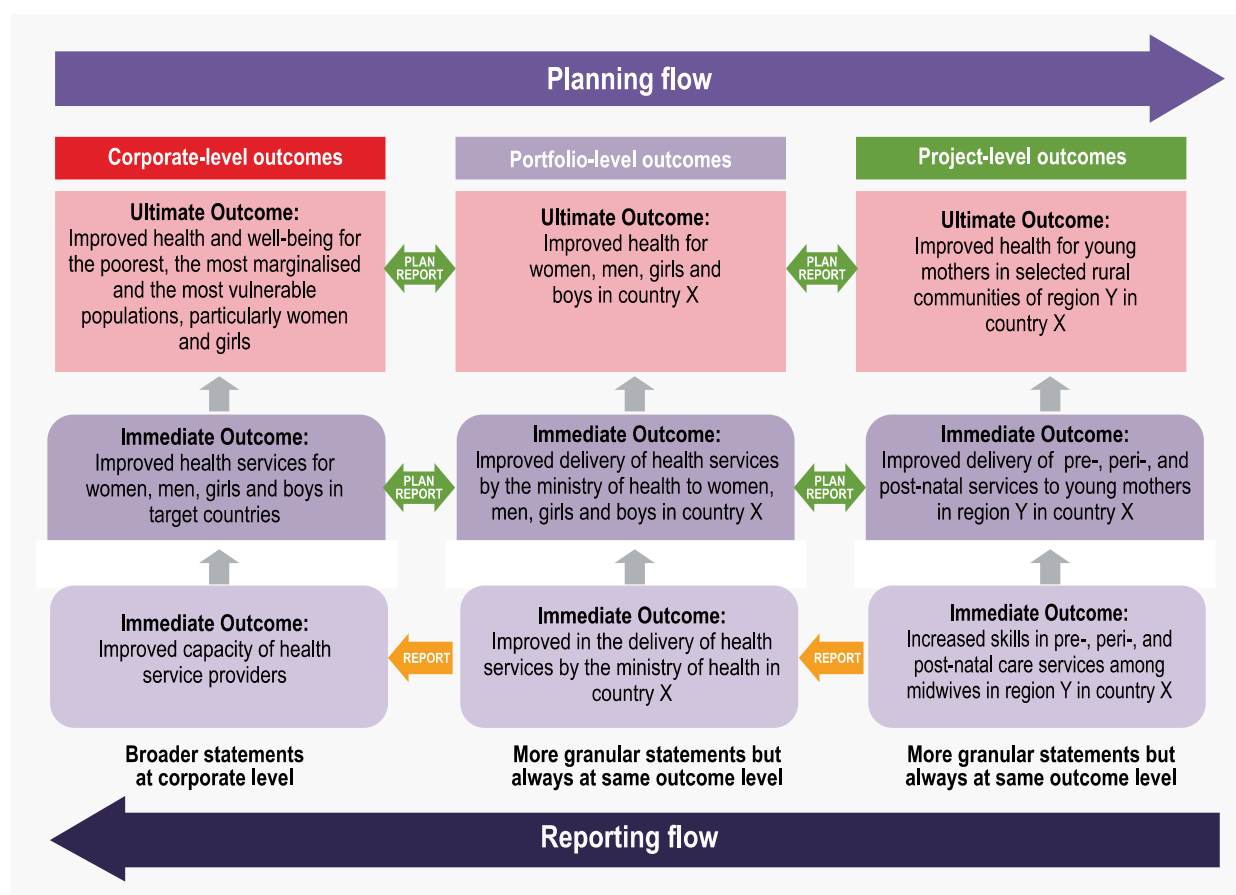
Shifting from being risk averse to understanding and managing risks at portfolio level is a cultural change that will require purposeful efforts beyond technical fixes. One of the first results of the GCTI is GAC's new risk-aware and risk-responsive approach, which was designed following internal and external consultations. The new framework is meant to restructure incentives and guidance around risk to move from a risk-adverse approach, which led to Canada working with just the most established organisations, to a risk-aware way of working. The new approach implies the establishment of a portfolio-level assessment of risks and refocusing on the role of risk-based management in achieving impact, a change that holds promise for addressing critical development challenges in complex and evolving contexts. In addition, the creation of a risk management component bringing together fiduciary and non-fiduciary risks should provide greater flexibility in assessing the risks associated with recipients and projects of different sizes and scales, support evidence-based decision making, and reduce the administrative burden on both recipient organisations and GAC. The initial practical translation of this new approach seems focused on a single modern, automated tool to improve knowledge sharing, information flow and consistent risk-based monitoring through the project life-cycle. However, this risk-aware approach will require GAC to connect wider business processes, human resource capabilities and organisational culture - a process that it is starting to be put in place.

GAC's approach to measuring results is geared towards accountability

Canada has a strong culture of external and internal accountability on corporate results. As stated in the Official Development Assistance Accountability Act, GAC reports to the Canadian Parliament annually on Canada's international assistance activities. Under the Treasury Board's Policy on Results, GAC is also committed to reporting on progress towards policy goals. To meet these obligations, GAC, like all other government departments, has developed a departmental results framework and produces departmental results reports. It also reports annually on progress achieved in the six action areas of the FIAP. These public reports are discussed in the Parliament and at a senior level within the GAC Programs and Services Committee chaired by the deputy minister.⁹ Since the 2024 internal reorganisation (see also Policy integration and co-ordination: diplomacy, trade and development), two internal committees are now responsible for the accountability of the FIAP: the Programs and Services Committee and the Global Policy and Strategy Committee. The implications of such shared responsibility on the accountability function could be addressed in the upcoming mid-term review.

Recent efforts to complement aggregated results with stories of success have not yet succeeded in turning results into a convincing narrative for the Canadian public and parliamentarians. GAC's approach to results starts at project level. Projects outputs and outcomes are aggregated building on a suite of key performance indicators developed for each of the FIAP's six action areas through a nesting model (Figure 7) (OECD, 2021^[20]). The nesting model uses a hierarchical approach whereby project-level results are designed to align and contribute to programme-level objectives, which in turn feed into departmental priorities and ultimately support broader government-wide outcomes. Corporate reporting is complemented by global indicators that track global gender equality trends, advocacy indicators that measure progress on how well GAC is promoting and influencing Canada's interests and values in the world, and corporate indicators that measure progress on advancing the government's feminist agenda within GAC. In total, GAC has developed eight action area results frameworks (AARFs) to operationalise FIAP priorities. In 2023, however, the Office of the Auditor General of Canada (2023^[21]) concluded that GAC was unable to show improved outcomes for women and girls because, among other reasons, not all tracked project outcomes related to FIAP policy goals.¹⁰ The latest report to the Parliament on the government of Canada's international assistance responds to the criticisms by presenting a selection of results achieved, including an overview of the challenges, key Canadian investments, examples of outcomes achieved in various countries or regions, and stories of change. This approach does not appear to have succeeded in turning results into a convincing narrative as some parliamentarians criticise the annual reports as overly descriptive. Measuring and analysing results at an intermediate level between project and global outputs and beyond thematic areas of focus could support GAC efforts to provide compelling narratives that are anchored in meaningful contexts.

Figure 7. GAC horizontal nesting model for corporate reporting



Note: Colours from original figure reworked.

Source: Global Affairs Canada.

There is space to strengthen accountability towards local partners and peoples, in line with development effectiveness principles. Mutual accountability and agency in defining the lines and content of accountability are core to the effectiveness agenda and help ensure that national and local partners have a say in what gets measured, and that communities and populations are also the target of accountability. However, local partners, including national partners, have limited say over the accountability of Canada's development assistance due to a range of reasons including increased pressure from the Parliament to learn from Canada's results (including results of core grants to multilateral organisations). In addition, while being mindful of context and building on sustainable development goals indicators, programmes outcomes are mostly set by GAC to measure its contribution to the SDGs (except for some locally led programmes), and reporting is geared towards GAC's accountability needs, without a formal accountability framework beyond project levels. GAC has however managed to give local partners a greater say on accountability in some notable programmes, such as the WVL and the CFLI and could build on this experience to further integrate partners' perspectives into accountability.

Transparency on results at project level is limited. While the 2024 Aid Transparency Index ranks GAC's transparency as good, transparency on the performance of projects is lacking as project documents (pre-project impact appraisals, reviews, evaluations and results) are not published. Further efforts in this regard can complement Canada's commitment to transparency.

More can be done to use results for learning and decision making

Understanding contexts and learning from experience are core to the approach of Canadian missions in partner countries. Implementing partners recognise Canada's efforts to integrate partners' expertise into project design and to learn from experience and the effort put in to build a learning culture. In Nigeria, for instance, Canada distinguished itself by its dedication to having mission staff travel to meet partners where they operate and sometimes bringing other providers' staff with them to gather direct feedback, understand contexts and adjust programmes as needed. Regular learning events with partners and beneficiaries are also informing practices. Beneficiaries of the WVL programme in Colombia appreciated the annual learning events organised by the project implementer to learn from peers' practices. There is also evidence that learning from specific projects can be transferred to others. In Nigeria, for instance, mission staff supported the transfer of the successful Gender Action Learning System methodology from one project to other initiatives. However, there is limited evidence that learning happening in missions is feeding learning in headquarters – a critical level given Canada's vertical and thematic approach to development co-operation.

Despite learning efforts during project implementation, results information is seldom used beyond accountability. Staff working on evaluations and results management identified the following challenges:

- **Information system.** Lack of alignment among corporate, programme and/or portfolio, and project-level outcomes and indicators makes rolling up results information and indicator data (from about 1 500 projects and up to 40 000 indicators) difficult.
- **Added value.** Staff did not always see the added value of the managing for results approach beyond reporting and accountability and considered the multiple planning and reporting tools, including financial ones, to be rigid and burdensome. The complexity of the structure – with numerous results frameworks at the programme, portfolio, and corporate levels – can also make this approach more difficult to use.
- **Use.** The incomplete reporting by users as well as the inconsistent headquarters engagement in the planning and reporting process affect both the quality of data and their subsequent use for decision making.

Further efforts to monitor results beyond aggregation can help GAC find a better balance between the three goals of results management, namely accountability, learning and decision making. For a more tailored results approach and portfolio analysis, GAC is working on improving flexible data collection. With the active engagement of the evaluation team, GAC is also testing new approaches such as gender lens evaluation, to understand and collect results information (OECD, 2022^[22]) as well as outcome harvesting and localisation frameworks. It is hoped that through the GCTI and better information systems, GAC will then be able to synthesise this diverse information at a thematic portfolio level. Refining the portfolio approach can help GAC pinpoint the most relevant level for results-based management to support decision making, including by understanding results in their geographic context, and give an indication of whether overall goals beyond individual projects are being achieved. Canada can also learn from other DAC members that are elevating discussions on results with senior management and governance groups to increase the use of results information and make sure that incentives link the results and risk approaches. For instance, the Norwegian Agency for Development Cooperation (2024^[23]) has developed theories of change and monitoring, evaluation and learning plans for thematic portfolios, that are fundamental for strategic discussions by management (OECD DAC, 2022^[24]).

Opening GAC to external reflections can help inform policy and practice and accelerate its transformation. Canada benefits from a strong and structured private sector and civil society, including academia, and committed parliamentarians dedicated to effective international assistance and policies. The launch of the Open Insights Hub will help GAC mobilise external expertise to produce integrated research and analyses across GAC streams and could be useful for complementing internal results with

external production of knowledge. Further expanding and deepening engagement with external partners, including through more regular and structured dialogue, can help inform policy and practice and make GAC a connected department. Such dialogue does however require dedicated staff time.

Recommendations

- To meet its commitment to increase the volume of international assistance, Canada should:
 - establish a roadmap with medium-term milestones either in volume or share of gross national income, thus providing budget predictability to the public and its partners,
 - pursue its communication efforts towards policy makers and citizens on the added value and results of development assistance.
- GAC should strengthen the focus of its development co-operation on local priorities by:
 - ensuring that thematic commitments give sufficient budget flexibility for bilateral programmes to respond to local priorities,
 - continuing to decentralise authority to missions and embassies,
 - continuing to strengthen policy dialogue with national and local authorities.
- GAC should accelerate the implementation of its Grants and Contributions Transformation Initiative by:
 - integrating lessons from pilots into business systems and maintaining feedback loops with stakeholders,
 - implementing its new portfolio approach to risk management and results monitoring.
- GAC should accelerate progress on locally led development, for example by designing and favouring programmes where recipients transfer long-term, flexible and core funding to their local partners, building on the Women's Voice and Leadership programme experience.
- GAC should improve the balance between tightly earmarked (earmarked for a specific theme and/or country) and softly earmarked funding (contributions to pooled funds and specific-purpose programmes and funds) to its multilateral partners to ensure that its partnerships also promote their integrity and added-value.

Policy integration and co-ordination: diplomacy, trade and development

GAC's transformation can increase its ambition in policy co-ordination and integration

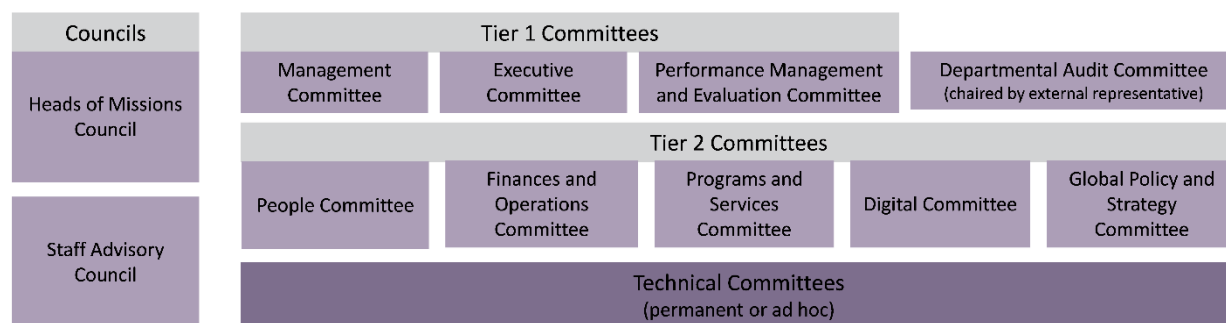
GAC's comprehensive transformation agenda is based on evidence and has a clear mandate to further strengthen integration while being fit and nimble. In 2013, the government amalgamated the Canadian International Development Agency (CIDA) and the Department of Foreign Affairs and International Trade (DFAIT) into an integrated department to increase diplomacy, trade and development coherence. Since then, the Canadian government and Parliament have undertaken a range of studies, evaluations and discussion papers to analyse the strengths and challenges of its set-up and propose improvements (Global Affairs Canada, 2023^[25]; Global Affairs Canada, 2022^[26]; Global Affairs Canada, 2025^[27]; Senate of Canada, 2019^[28]; Senate of Canada, 2023^[29]; Global Affairs Canada, 2023^[30]). These deliberations led to a comprehensive multi-year transformation journey and a major reorganisation of GAC in 2024. The transformation aims to address the challenges identified over the years and the recommendations made in the 2023 Future of Diplomacy discussion paper (Global Affairs Canada, 2023^[30]), including the need to adjust to the evolving geopolitical landscape. It has a clear mandate: to

build one department fit to respond nimbly to global challenges. The transformation is meant to be comprehensive in the sense that it will address the organisation's culture, human resources, policies, processes and tools as well as Canada's global presence.¹¹ The transformation is also intended to be flexible enough so that GAC can quickly adjust to evolving needs in the future and not wait another decade for change.

Building on a shared assessment of the strengths and weaknesses of the current structure, both staff and partners are eager to see the transformation agenda achieved. According to internal evaluations (such as the Future of Diplomacy discussion papers) and partners' assessments, the amalgamation created a bureaucratic department with many layers of senior leadership and diminishing quality output. Before the latest reorganisation, staff and partners commented on the lack of a clear vocation and lines of authority, with siloed reporting lines that did not encourage cross-business lines collaboration. Additionally, different time horizons, approval processes, and planning and reporting tools for each of the three business lines of the department (development, diplomacy, trade) were frequently referenced as impeding branch-wide coherence efforts. Several evaluations also pointed to the lack of a coherent presentation of Canada's engagement in countries, which limits opportunities to identify and contribute to common objectives and leads in some cases to conflicting objectives (Global Affairs Canada, 2022^[26]; Global Affairs Canada, 2025^[27]; Global Affairs Canada, 2023^[25]). Some evaluations however highlighted that opportunities for creating synergies frequently exist across the three business lines and noted positive examples of integration when senior managers championed consultation and co-ordination across business lines. Building on this shared assessment, and having been well engaged in the transformation agenda, staff are positive about the current transformation process. Partners, for their part, are looking forward to institutional stability and a leaner, clear structure as well as streamlined administrative processes that will facilitate strategic partnerships.

The 2024 reorganisation has the potential to leverage the strengths of the department and facilitate co-ordination between business lines. For instance, the integration of the three business lines within geographic and functional branches holds promise for strengthening horizontality, as does the creation of a joint strategy, policy and public affairs branch. This has the potential to facilitate regular exchanges between different policy streams and expertise and to break programming siloes. The reform of the integrated corporate governance model also provides for more senior participation in the different committees, with participants selected based on roles and responsibilities (Figure 8). The objectives of these changes are to enable more critical discussions including around trade-offs and a clearer alignment of objectives and shared accountability. If supported by a gender champion, such an approach could strengthen accountability of the government's efforts in support of gender equality (see also Implications of the feminist policy for Canada's international assistance). Similarly, the planned creation of a council for heads of missions and the newly created pan-geographic affairs branch should help with increased co-ordination and coherence of GAC policies and programming in partner countries. As this reorganisation was only launched in August 2024, the review team cannot yet assess its success in terms of alignment of objectives and accountability.

Figure 8. Global Affairs Canada’s new corporate governance model to support stronger integration



Continued attention to safeguarding development expertise can ensure that the development policy remains valued. As is the case in other integrated departments, both partners and staff feared that integration would lead to decreased development expertise and contextual understanding of the countries Canada engages with. Studies have identified the decline of expertise (e.g. subject matter expertise in development and international security issues as well as linguistic expertise, among others) as a core challenge to the foreign service, and point to the difference between the share of staff in headquarters and in missions as a reason for the decline. Another cited reason is the distribution of rotational and non-rotational employees within GAC’s workforce (30% of GAC’s Canada-based workforce was rotational in 2023). To overcome this challenge, GAC has created a dedicated rotational international assistance stream within the foreign service and updated the Canadian Foreign Service Institute’s professional learning programme to include international assistance modules. GAC is also expanding talent management from executive levels to all staff levels (14% of non-executive staff will be part of this talent management in the 2024-25 fiscal year) to improve talent retention. Challenges remain in building and rewarding new technical and niche expertise, such as in innovative finance, as well as in finding ways to facilitate access to country experience, even short-term experience, including for non-rotational staff (see also Reforms to programming and increased decentralisation are promising to deliver on effectiveness commitments).

The integration of development objectives in trade policies can be more intentional

Canada’s commitments to gender equality and to addressing climate change can be considered as a thread for integrating development and trade objectives. While the FIAP covers only international assistance,¹² it has played a complementary role in strengthening broader government policies by addressing gender equality across business lines, though progress can still be made (Implications of the feminist policy for Canada’s international assistance). For instance, while a priority of Canada’s international assistance is to support the participation of women and Indigenous-owned businesses in the economy and their integration in global value chains, GAC also supports a progressive trade agenda through the trade business line. This includes seeking provisions aimed at addressing unique international trade barriers experienced by women and Indigenous Peoples, as well as provisions on gender, Indigenous Peoples’ rights, enforceable labour standards, and environmental commitments in trade-agreements - efforts praised by the 2024 review of Canada’s trade policy by the World Trade Organization (2024_[31]). In 2018, Canada, Chile and New Zealand, later joined by Mexico, co-created the Inclusive Trade Action Group, which established the Global Trade and Gender Arrangement to increase women’s participation in trade to improve overall gender equality and women’s economic empowerment.

Partners value that Canada does not use development co-operation to advance trade interests. Staff across GAC are aware of Canada’s commitment to keep its ODA untied, and 100% of Canada’s bilateral aid is de jure untied (Annex B). Contract awards are spread across Canadian, international and local providers, though Canadian providers represent the majority in terms of volume. Initial analysis

suggests that the main issue for Canada is locally led procurement and the use of local systems to support de facto untying. Government and local partners also value Canada's principled approach to partnership. While Canada does not refrain from raising critical challenges and pushing for policy priorities such as gender equality, climate, human rights and transparency, partners value that its development assistance is not directly supporting trade and investment interests.

While protecting the principled approach to international assistance, there is scope for Canada to further integrate responsible trade and development policies through shared priorities and to consider how trade with developing economies can be mutually beneficial. The mandate letter for the Minister of Trade, Export Promotion, Small Business and Economic Development (Office of the Prime Minister, 2021^[32]) balanced Canadian and multilateral interests. It specified that the minister's priorities should be to work to safeguard, promote and strengthen the open and rules-based multilateral trading system; support Canadian businesses looking to enter global markets; advance an inclusive approach to trade; facilitate export diversification efforts; advance Canada's global leadership on critical minerals; and engage in shaping norms, rules and standards for the global economy and trade of the future. GAC has also identified six thematic areas for increased co-ordination between trade and development in its 2021 guidance note on trade and development: gender and trade; data and digitalisation; micro, small and medium-size enterprises; infrastructure; clean technology; and global value chains. Other examples of efforts to build shared objectives are Canada's Indo-Pacific Strategy (Global Affairs Canada, 2022^[33]) and its Critical Minerals Strategy (Government of Canada, 2022^[34]). However, despite high-level expectations of co-ordination and the initial identification of potential themes, staff are yet to own a sense of clear, shared objectives across GAC. In the absence of integrated country or regional frameworks – except for the Indo-Pacific (see also Fit for development effectiveness) – perceptions vary in missions. For instance, in Colombia, development and trade teams in the embassy worked together to identify opportunities linked to responsible business conduct, but identifying shared objectives proved more difficult in Nigeria. The upcoming Africa strategy is an opportunity to clearly set out how trade and development objectives could be mutually beneficial in the region and support lateral thinking and cross-silo co-ordination.

Co-ordination has led to the design of joint strategy and work underway to harmonise procedures should accelerate the implementation of joint actions. Instances of structured collaboration across trade and development streams were primarily focused on communication and knowledge sharing. Despite an interest in collaboration across business lines and some progress on shared strategies, the grants and contributions management framework slowed shared programme funding for trade and development activities. For instance, implementation of the Expert Deployment Mechanism for Trade and Development¹³ to help partner countries make the most out of trade agreements, while relevant and promising, has been challenging because of administrative delays and difficulties addressing cross-cutting themes such as gender equality and climate (Global Affairs Canada, 2023^[35]).

While GAC works towards harmonising procedures to facilitate shared projects, strengthening the approach on responsible business conduct could be practical way forward for deeper integration. Canada is committed to responsible business conduct, as evidenced by its strategy on Responsible Business Conduct Abroad (Global Affairs Canada, 2022^[36]) and the integration of responsible business considerations into trade agreements. While it highlights the importance of protecting human rights defenders, the strategy does not reflect on the potential role of development co-operation. Canada does have binding transparency legislation that requires certain businesses and government institutions to report on the steps taken to prevent and reduce the risk that forced labour and child labour are used by them or in their supply chains. Implementation of the commitment, however, could be strengthened by mobilising a larger scope of expertise to advise on environmental and social risks, including those related to human rights, and to monitor and enforce sanctions when needed. Similarly, supporting investments in transparent governance of critical minerals in developing countries together with like-minded partners¹⁴ seems a promising area of shared interest across business lines. Improved governance of critical minerals could enable more responsible investment in value addition in partner countries, strengthen the resilience

of these supply chains while helping diversify partner countries' economies and strengthen domestic revenue mobilisation by helping mitigate illicit financial flows.

More can be done to assess and address transboundary impacts of trade policies

Canada has established structures and mechanisms for fostering policy coherence domestically. Canada has made specific commitments to policy coherence for sustainable development in its 2030 Agenda National Strategy (Government of Canada, 2021^[37]). The strategy encourages government organisations to advance progress towards the SDGs by assessing the social, economic and environmental impacts of policies, including transboundary impacts, and identifying gaps, synergies and trade-offs. Inter-departmental committees act as steering committees overseeing implementation of the 2030 Agenda and sustainable development strategy. Finally, Canada has several processes in place across the federal government and within departments to facilitate consideration of development issues and manage trade-offs in policy making, including by looking into the environmental and gender implications of policies (Annex B).

More can be done to analyse transboundary impacts and take action on them. While GAC is mandated to address the transboundary impacts of domestic policies (OECD Council, 2024^[38]), this priority is only partially reflected in mandate letters to ministers and therefore only partially reflected in the different departmental plans. In addition, different analytical frameworks and tools tend to focus more on the domestic impacts of policies, and there is no clear space to mediate disputes. Finally, while a diverse range of Canadian stakeholders are engaged in monitoring of the SDGs (with particular attention to women, Indigenous Peoples and other traditionally under-represented groups) and local implementing partners are consulted in the definition of international assistance, these consultations are more limited when it comes to understanding the impact of Canadian domestic policies in developing countries. GAC's environmental assessments of trade agreements, which primarily focus on the potential domestic environmental impacts of trade agreements, do however consider the possible effects, including greenhouse gas emissions, on foreign partners. While not in its current mandate, the mobilisation of the Open Insights Hub could provide further valuable insights to help identify priorities and analyse the transboundary impacts of domestic policies.

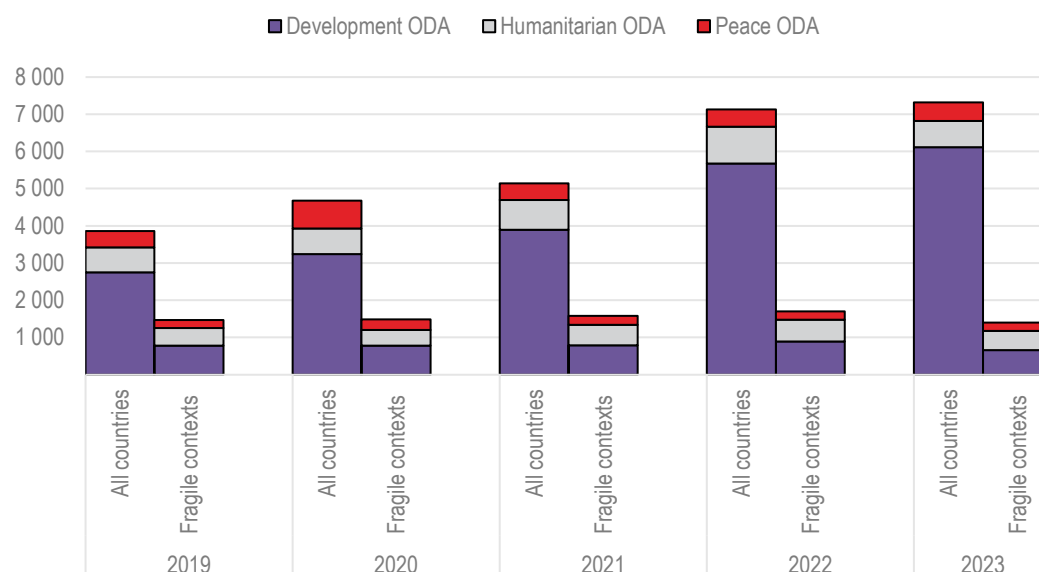
Attention to clearly identified sensitive issues such as extractive and critical minerals and agriculture could accelerate progress. Canada has improved the coherence of its trade policy and development objectives. Canada ranks tenth in the trade component of the 2023 Commitment to Development Index, an improvement of eight ranks over its 2021 performance that is largely due to improvements in its trade logistics and a slight reduction in tariff peaks that it leverages against developing countries (Center for Global Development, 2023^[39]). However, partner countries have noted that trade-restrictive policies related to agriculture and mining – critical sectors for Canada's economy – could be more coherent with development objectives. For instance, while Canada's trade regime was recognised as being generally open and highly transparent during Canada's trade policy 2024 review at the World Trade Organization, some delegations expressed concerns regarding the persistence of tariff peaks and relatively high average tariffs on agricultural products. Delegations also encouraged Canada to maintain a balance between, on one hand, safeguarding national and economic security and, on the other, promoting investment through a fair, transparent and predictable business environment for companies. In particular, investor-state dispute settlement remains a sensitive issue in the extractive sectors. While many OECD members – the United States and members of the European Union – tend to eliminate their exposure to dispute settlement claims in new bilateral and regional trade and investments agreements or when re-negotiating old ones, low-income countries tend to have more difficulty mounting successful defences. Further reflections around modernising trade agreements could support the balance between guaranteeing a predictable business environment for private investment and protecting legitimate reforms for strengthened environmental protection in developing countries, a necessary balance as per the OECD Guiding Principles for Durable Extractive Contracts (OECD, 2020^[40]).

Programming along the humanitarian-development-peace nexus is yet to fully materialise

Amid a decrease in humanitarian ODA, Canada upholds the Good Humanitarian Donorship principles. Canada's humanitarian assistance decreased by 29% in 2023 following a USD 994 million surge in 2022 (Figure 9). Canada still was the seventh-largest DAC humanitarian donor in 2023, with assistance totalling USD 705 million. Canada is signatory to the Grand Bargain and its humanitarian assistance is provided in line with the Good Humanitarian Donorship principles. Its ODA primarily supports co-ordinated plans (UN, 2024^[41]). Most of Canada's humanitarian funding is planned from GAC headquarters, with a limited role for country missions, and channelled through multilateral organisations, the International Red Cross and Red Crescent Movement, and international and Canadian NGOs that Canada provides with flexible and predictable funding, thus enabling quick reactions to evolving crises. For instance, in 2023, 68% of its humanitarian funding went through multi-year agreements. Canada engages in the governance and oversight of its key partners, including through governing boards and donor support groups. GAC also holds regular dialogues with World Food Program, the United Nations (UN) Office for the Coordination of Humanitarian Affairs and the UN Refugee Agency, with a view to improve collaboration on key issues, including funding modalities. Multilateral partners appreciate Canada's efforts to engage in technical dialogue and active policy advocacy, including within the G7 for co-ordination; and with Arab providers to unlock additional funding for humanitarian response as well as its lean reporting processes. However, partners have limited visibility and understanding of GAC budget decisions, partly limiting predictability. To retain its ability to react to shocks, GAC provides pre-positioned funding to key partners and has mechanisms to allow for immediate disbursements to respond to sudden-onset emergencies. It has also developed rapid response tools with partners, to facilitate the deployment of experts and essential relief supplies. GAC also maintains an emergency reserve, which is an unallocated pool of funds to respond to in-year emergencies.

Figure 9. Until 2023, the ratios of Canada's development, humanitarian and peace programming remained stable

Development, humanitarian and peace ODA, disbursements, USD million, constant price 2022



Source: OECD (2025^[9]), OECD Data Explorer, Creditor Reporting System (database), <http://data-explorer.oecd.org/s/3c>.

The integration of humanitarian and development efforts depends on the adaptability of the development portfolio, which has only limited flexibility. Canada's flexible funding is bound to humanitarian assistance. As is the case for most DAC members, budgets are separated, and transition or resilience activities must be funded through the development portfolio. However, flexibility within the development portfolio is limited by funding commitments, competitive financing and earmarked funding (Fit for development effectiveness).

To provide the necessary flexibility, GAC is implementing tools such as crisis modifiers. These will allow for up to 5% of project funding to be reallocated to mitigate the impact of a crisis on a development project. Crises modifiers, however, are a one-way tool, helping to support crisis response but not to seize the development opportunities that arise in contexts with the highest fragility. To overcome that limitation, GAC is also mobilising its development portfolio to strengthen the capacities of affected communities in protracted crises, as it did with the BRAC pooled fund for localisation and the gender-responsive skills programme with the UN Refugee Agency to support Rohingya refugees.¹⁵ The intention to create surge teams to be deployed when crises hit also holds promise to increase flexibility.

Financial instruments for integrated programming and resilience building remain limited. GAC's funding windows have different rules, due diligence mechanisms and programming timeframes that limit its ability to program across the nexus between peace, development, and humanitarian support. In contexts most exposed to fragility, which received 22% of Canada's bilateral ODA in 2023, Canada mainly engages through the development programme. In these contexts, 16% of Canada's ODA was allocated to peace objectives in 2023 (disbursements, 2022 USD), an increase both in share and in volume, due to specific support for media and the free flow of information, WRO, ending violence against women and girls, and demining, according to Creditor Reporting System data. To sustain its contribution to peace objectives, GAC can use its Peace and Stabilization Operations Program (PSOP) that supports conflict prevention, stabilisation and peacebuilding in fragile and conflict-affected contexts (Box 4). GAC can also mobilise a crisis pool that allows funding for humanitarian, development and peace activities,¹⁶ as it did in Sudan and is planning to use to strengthen joint programming on food security in Africa.

Box 4. Canada's Peace and Stabilization Operations Program: a flexible tool in crisis contexts

Canada's efforts to promote international peace and security have been consistent over time, and Canada has been contributing to peacekeeping missions since 1954. It launched the PSOP in 2016, building on knowledge and expertise gained through the Stabilization and Reconstruction Task Force and the Global Peace and Security Fund. Canada's objective through the programme is to contribute to conflict prevention, stabilisation and peacebuilding initiatives by addressing the factors that lead to the initial outbreak of violence and displacement of people. The PSOP advances innovative approaches to peace operations, with a focus on women's integration and addressing incidents of sexual exploitation and abuse, and provides quick and flexible funding to international and local initiatives.

Managed directly from Ottawa, the programme funds short-term initiatives (up to 26 months) with faster approval processes than the development portfolio, enabling quicker response and facilitating direct support to local actors. It is funded by ODA and non-ODA budgets and has an annual budget of about CAD 100 million that enables a wide range of activities related to peacebuilding including security interventions. Programming is done yearly, with a share of the envelope kept unprogrammed to be responsive to evolving contexts and emerging initiatives. The programme works in co-ordination with the development programme to avoid duplication and ensure coherence, and with three other security

programmes: Counter-Terrorism Capacity Building, Weapons of Mass Destruction Threat Reduction and the Anti-Crime Capacity Building programmes.

Because it focuses on peace and conflict prevention, the PSOP is attuned to local realities. This attention is reflected in its higher risk tolerance, which gives it the capacity to support local organisations. Unlike humanitarian action that primarily uses multilateral or international partners to process large budgets, the PSOP can identify and support small-scale programmes that can have a direct local impact on peace with the analytical support of relevant embassies and regular travel from Ottawa to crisis areas.

The latest GAC reorganisation can support stronger policy integration and conflict sensitivity into programming. While GAC is not planning to expand the scope of its humanitarian assistance to broader crisis response activities, it is working on improved planning with the creation of the International Assistance Partnerships and Programming Branch. The merger of the non-geographic development programming under one branch should facilitate the mobilisation of the diplomatic arm to support crisis response, including with humanitarian assistance, and to beef up peace initiatives, as seen with the reconduction of the Elsie Initiative for Women in Peace Operations in December 2021 (Global Affairs Canada, 2024^[42]). As evidenced in Nigeria, partners expect Canada to further mobilise its diplomatic arm in partner countries to advocate for those left behind – which would also require increased engagement of the missions in humanitarian policy. While GAC aims to increase staff awareness on conflict sensitivity, it will be critical to maintain the capacity of the relevant policy team to conduct analysis and provide support to programming teams across the department to formalise the link between development programming and peace objectives as well as to ensure that policy and programming remain connected. While GAC has developed some tools, such as the Integrated Conflict Analysis Process, humanitarian and development colleagues are not always well equipped to fully implement the guidelines. The policy side of the PSOP was indeed tasked with strengthening GAC procedures and practices related to the analysis of fragile and conflict-affected situations, which the programming team sometimes covers when capacities are lacking. The newly integrated structure is an opportunity to support learning on integrated programming across themes and geographies but will require dedicated efforts.

Recommendation

- To maintain development objectives as a pillar of foreign policy, Canada should:
 - further assess and address the transboundary impact of its domestic policies,
 - ensure the relevant parts of the administration have the necessary resources to fulfil their mandate of promoting and supporting the implementation of responsible business conduct by Canadian companies abroad that align with and mutually reinforce development co operation activities.

Implications of the feminist policy for Canada's international assistance

Canada's strong gender equality policy focus through the FIAP embeds feminist principles into its development co-operation and supports its global leadership

Canada leads by example with its deep-rooted commitment to gender equality, reinforced and steered by the FIAP, which positions gender equality and women's rights at the core of Canada's development agenda and enhances its global leadership on the topic. While Canada's focus on gender equality in development co-operation is long standing, the Trudeau government in 2017 proclaimed itself

a feminist government and put in place the FIAP. This marked a shift towards an explicit recognition of gender equality and the empowerment of women and girls as the starting point and foundation for building a more peaceful, inclusive and prosperous world. It also signalled Canada's increased attention to transformational and systemic changes rather than considering gender equality as one among many other policy priorities. The FIAP sets out an approach based on human rights that takes into account all forms of discrimination and puts gender equality at the core of its priority areas (Global Affairs Canada, 2017^[8]) (Figure 10).

Figure 10. Gender equality is at the core of Canada's FIAP action areas



Source: Global Affairs Canada (2017^[8]), *Canada's Feminist International Assistance Policy*, https://www.international.gc.ca/world-monde/issues_development-enjeux_developpement/priorities-priorites/policy-politique.aspx?lang=eng.

The FIAP brings rigour and accountability to Canada's feminist approach to development co-operation, translating high-level political commitments into action that is backed by resources and dedicated expertise. Following the 2018 DAC peer review of Canada and its recommendations about detailed guidance for implementing the FIAP (OECD, 2018^[12]), Canada developed additional tools and approaches, among them guidance notes for the six policy areas. These closely align with the DAC Recommendation on Gender Equality and the Empowerment of All Women and Girls in Development Co-operation and Humanitarian Assistance (OECD DAC, 2024^[43]). Overall, Canada is widely recognised as a champion of gender equality and a leader in global efforts, including as chair of the DAC Network on Gender Equality (GENDERNET).

Canada's leadership on gender equality is critical in the global landscape and helps accelerate progress across and among other providers and partners. Across international fora and global initiatives, Canada consistently advocates for more ambitious commitments and policies to advance gender equality. It will be important to pursue these efforts, including with partner countries and other donor governments. Canada's feminist vision of sustainable development has also encouraged its partners – including multilateral institutions, CSOs and the private sector – to integrate gender quality and women's rights more thoroughly into their strategies and operations (Global Affairs Canada, 2024^[13]). Canada's feminist approach is also very relevant in many of its partner countries, including in Nigeria where Canada's gender equality core priority aligns well with country needs. Overall, by championing gender equality and applying its feminist approach to its development co-operation efforts, Canada encourages others to follow suit.

Maintaining coherence in the feminist approach across Canada's development co-operation system requires constant attention, and clearer accountability structures would support efforts.

While gender equality is integrated into sectoral and geographic development co-operation priorities, sustaining this across the board requires Canada's continual effort and attention. Canada invests in tools, training and accountability mechanisms to hardwire a feminist approach to ensure that its development co-operation maintains a core focus on gender equality (Global Affairs Canada, 2024^[13]). Yet, applying a feminist lens in areas such as trade and crisis response tests the resilience of Canada's system and points to areas for further improvement. An illustration is the low focus on gender equality in bilateral aid to Ukraine in 2022, that was repeated in 2023, with gender equality objectives representing an average of only 9% of bilateral ODA to Ukraine in 2022-23. This low focus is particularly attributable to large loans channelled through the International Monetary Fund and provided by Finance Canada that lacked gender equality objectives. These observations emphasise the need for Canada to sustain efforts across the system including when responding to emergency situations. They also point to the lack of an effective senior accountability structure or function, and the need for Canada to consider such a function that would be mandated to ensure that the feminist approach is consistently implemented throughout the entire Canadian system.

As resistance to gender equality and feminism grows globally, Canada would benefit from redoubling resources to sustain and advance its feminist agenda. As part of a bigger global trend, pushback against gender equality in both provider and partner country contexts challenges the progress Canada has worked hard to achieve (UN Human Rights Council, 2024^[44]). In the face of this trend, Canada's toolkit for mission staff to support teams in addressing backlash is an initial positive effort. Canada could consider additional measures such as enhanced public communication about the positive impacts of feminist approaches and engaging further with actors that do not recognise women's rights or gender equality as a priority. Such actions could help Canada safeguard its gains and maintain momentum for gender equality, even in a shifting political and social landscape.

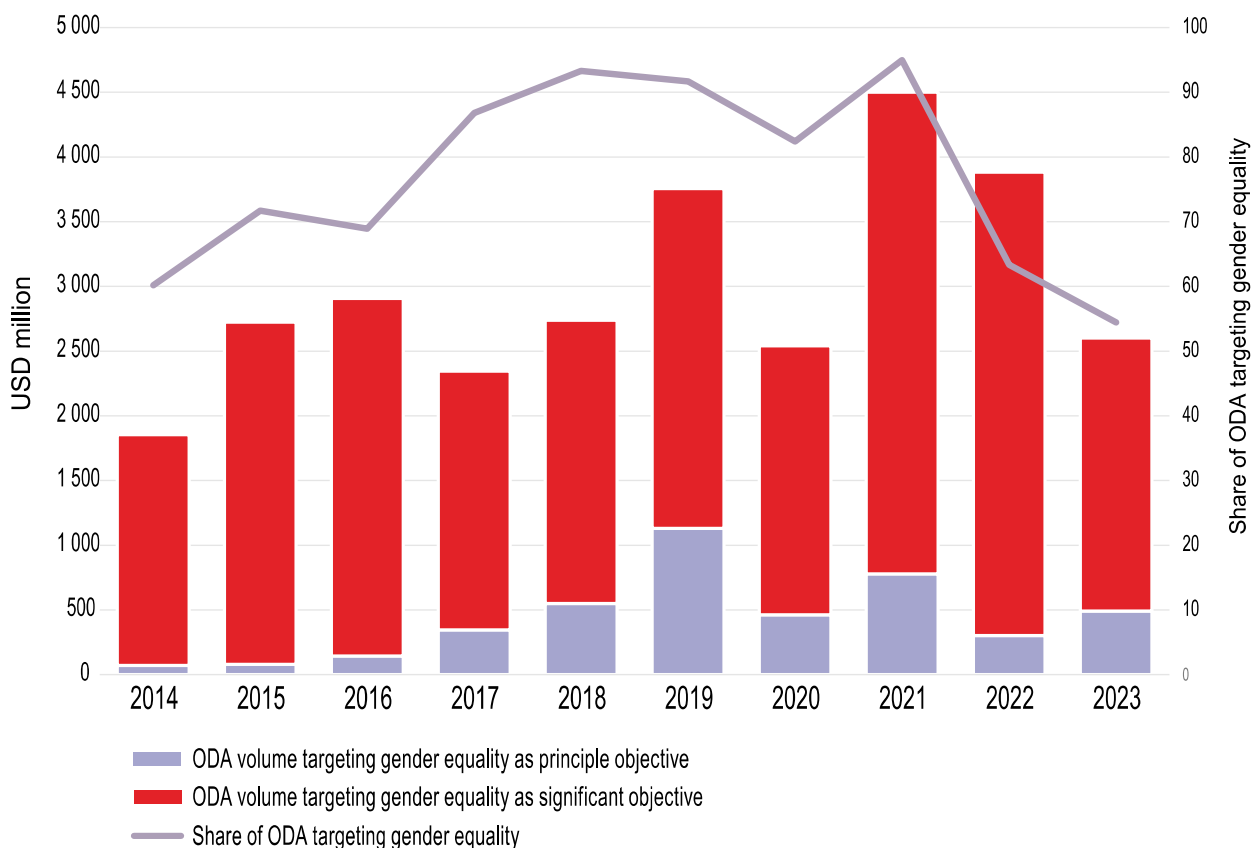
Programming for gender equality is consistent with the FIAP and supported by a comprehensive toolbox

Canada has over the past years been one of the leading DAC donors for gender equality and has committed to ensuring that an ambitious 95% of its bilateral development assistance is dedicated to or integrates gender equality objectives, with 15% of this having gender equality as a dedicated (principal) objective. In 2019, Canada also made a ten-year funding commitment to global health and rights, which includes a specific commitment to funding for comprehensive sexual and reproductive health and rights that is complementary to the financial target for gender equality (Global Affairs Canada, 2024^[45]).

Sustained efforts, including in emergency contexts, are needed to consistently achieve the gender equality targets set out in the FIAP. The share of bilateral aid with gender equality objectives overall dropped to only 59% on average in 2022-23 due, as noted, to the low focus on gender equality in Ukraine (Figure 11).¹⁷ The share of bilateral aid with gender equality as a dedicated (principal) objective in the same time period was 7% (OECD, 2025^[9]). Looking at bilateral aid managed by GAC only, GAC was in line with FIAP's target with 98% of GAC's bilateral aid having a gender equality as principal or secondary objective and 10% having it as a principal objective. Ensuring that its financial targets are pursued across all sectors and departments will be crucial for Canada to reflect its strong gender equality commitment across all bilateral ODA.

Figure 11. Trends in Canada's ODA pursuing gender equality objectives

Commitments, USD million (2022 constant prices)



Source: OECD (2025^[9]), *OECD Data Explorer, Creditor Reporting System (database)*, <http://data-explorer.oecd.org/s/3c>.

StatLink  <https://stat.link/foht7m>

Canada's support for gender equality is predominantly channelled to and through multilateral organisations and civil society, consistent with its overall programming. In 2022-23, 61% of Canada's support for gender equality was disbursed through multilateral organisations, and 25% by CSOs. Only 7% is channelled to partner governments. Even where financial allocations are limited, Canada can still make efforts to engage directly with government counterparts at the policy level, as illustrated in Nigeria (Fit for development effectiveness). Canada's dedication to meeting its gender equality commitments is also reflected in its careful selection of programmes and partners, also as evidenced in Nigeria, to ensure that implementation effectively targets gender equality.

Gender-based Analysis Plus (GBA+) is a key analytical tool that Canada employs to achieve its gender equality objectives. Canada uses GBA+ to support the development of responsive and inclusive policies, programmes and other initiatives (Government of Canada, 2024^[46]). The GBA+ approach captures a broad range of intersecting identity factors, including and beyond gender, and ensures that projects address the diverse sources of discrimination of all women and girls.¹⁸ Canada also implemented requirements for partner organisations to have a publicly available code of conduct that addresses sexual exploitation and abuse in order to apply for development and humanitarian funding (Global Affairs Canada, 2019^[47]).

GAC regularly updates staff expertise. Operationalising the GBA+ approach is the responsibility of all staff. Therefore, Canada invests in regular and comprehensive training for staff on its intersectional approach to gender equality, developing a pool of specialists equipped to support the integration of gender equality considerations across all departments, programmes and sectors. The continued investment in technical expertise in gender equality is critically important for Canada to remain a leader and to steer programming toward approaches with further integration of gender equality.

While pioneering feminist approaches to evaluation, Canada needs to improve the reporting of gender equality outcomes to fully capture its results and inform decision making. The Feminist International Assistance Gender Equality Toolkit for Projects offers guidance on how to plan for, implement, monitor and report on gender quality outcomes within its feminist approach (Global Affairs Canada, 2024^[48]). The Gender Equality and Empowerment Measurement tool is designed to capture gender equality and empowerment outcomes of development programming (Global Affairs Canada, 2022^[49]). Furthermore, GAC's feminist evaluations emphasise the evaluation process itself as much as the findings, aiming for transformative change that addresses the systemic causes of inequality (OECD, 2022^[22]). Yet, as noted by Canada's Auditor General, there is room for improving information management systems since there are gaps in data that hinder understanding of long-term outcomes (Office of the Auditor General of Canada, 2023^[21]). With comprehensive, consistently stored information, Canada could fully showcase the sustained benefits of its feminist approach and better leverage these insights to communicate its results and refine policies and programmes. Strengthening data collection and sharing feminist evaluation practices across other parts of its portfolio could help Canada better track, learn from and communicate about its developmental impact.

Canada is a long-time and recognised supporter of local women's rights organisations and feminist movements

Canada champions and finances the effectiveness and sustainability of local WROs and feminist movements in its partner countries, which is vital for advancing locally led development and gender equality. In its 2017 Policy for Civil Society Partnerships for International Assistance – A Feminist Approach, Canada recognises that supporting local actors – including WROs – to tackle the root causes of gender inequality based on their unique contexts and priorities is central to achieving sustainable development (Global Affairs Canada, 2017^[50]). This policy aligns with the DAC Recommendation on Enabling Civil Society in Development Co-operation and Humanitarian Assistance, ensuring that WROs are empowered as equal partners in design, implementation, and advocacy (OECD DAC, 2021^[51]). By prioritising locally led development through the empowerment of local actors, this approach not only amplifies the voices of women and marginalised groups in partner countries but also addresses systemic barriers and reshapes power dynamics in development co-operation (OECD, 2024^[14]). Evaluations from GAC programmes dedicated to WROs (such as the Partnership for Gender Equality, the Equality Fund initiative, and the WVL programme) underline that supporting feminist, locally led development through the core, flexible and multi-year support extended to WROs and feminist movements was well suited to their needs and helped to reach structurally excluded marginalised communities (Global Affairs Canada, 2024^[52]). Canada is one of the leading DAC donors for WROs, co-chairs the multi-stakeholder initiative Alliance for Feminist Movements, and has championed innovative initiatives such as the Equality Fund and the WVL programme. These two programmes are complementary in that they have similar objectives relating to reaching local WROs, but they have different structures. While the WVL is managed and funded by GAC, the Equality Fund is an independent feminist fund that was initially launched with the financial support of GAC but now has its own leadership and funding strategy linking into the global community of philanthropists.

The WVL programme embodies Canada's feminist approach by empowering local organisations to lead and implement advocacy and development initiatives tailored to their contexts (Global Affairs

Canada, 2025^[53]). With its innovative approach, WVL aims to foster the expertise and autonomy of local WROs, enabling them to better define priorities and implement programmes that respond to their community needs. In doing so, the WVL programme respects the expertise and ability of local organisations to define their own priority areas. Flexible and predictable funding empowers WROs, enhancing their impact, resilience, long-term planning and organisational capacity. The first generation of WVL programmes has demonstrated concrete achievements, such as strengthening the capacity of WROs in partner countries including Nigeria, where WROs leveraged WVL support to secure additional funding from other development co-operation providers. These outcomes underline WVL's role in enhancing the sustainability and development of local civil society (Global Affairs Canada, 2022^[54]), making it an innovative model for feminist and locally led programming (Box 5) and also allowing Canada to test out more flexible approaches to funding and reporting.

Despite efforts, there is room for enhancing inclusivity in its support for WROs by further reaching smaller, marginalised groups. While the WVL programme has been instrumental in Canada's efforts to strengthen WROs, its funding has notably benefited more established, traditional CSOs. Indeed, the first generation of WVL projects struggled to reach informal organisations and, in some contexts, organisations representing women with disabilities and the Lesbian, Gay, Bisexual, Transgender, Queer, Intersex Plus (LGBTQI+) community. Smaller, informal actors also faced challenges in navigating WVL reporting and administrative requirements (Global Affairs Canada, 2022^[54]). GAC has an opportunity to address these challenges in the renewed WVL programme (2023-28) by tailoring processes to structurally excluded groups and taking advantage of Canada's GCTI to reduce red tape. GAC could also roll out the lessons learned on capacity strengthening from the first generation of the WVL programme to the broader Canada's CSO funding.

Box 5. Canada's Women's Voice and Leadership programme: strengthening the capacity of women's rights organisations

The WVL programme provides substantial, long-term support to WROs to build local leadership capacity and address the structural causes of gender inequality. Launched in 2017 as a flagship under the FIAP, the programme initially committed CAD 150 million over five years. In April 2023, Canada renewed its commitment, adding CAD 195 million for the next five years and pledging CAD 43.3 million each year thereafter.

WVL stands out for its flexible and responsive modalities and focus on capacity strengthening. In addition to project funding, WVL offers multi-year core grants, institutional capacity-building support, and alliance and network strengthening. This approach allows WROs to define their priorities and apply funds as needed, strengthening their institutional capacities in areas such as organisational governance, financial management and advocacy skills. By applying feminist principles, Canada aims for WVL efforts to contribute to shifting decision-making power towards local actors while promoting intersectionality and inclusive development.

WVL's approach to capacity strengthening is considered an innovative practice for supporting feminist programming. Unlike short-term, earmarked grants, WVL places local organisations at the centre of the design and implementation of development solutions. It refrains from thematic requirements, allowing WROs to respond to their own contexts while strengthening internal capacities in areas such as leadership, staff retention and sustainability planning. This model contrasts with other approaches that focus on predefined project deliverables, leaving less space for institutional strengthening.

Lessons learned show the value of capacity support but highlight inclusivity challenges. WVL evaluations find that stable, multi-year core funding is central for WROs to invest in internal capacities such as leadership development and staff retention (Global Affairs Canada, 2022^[54]). Yet, the programme's initial phase faced barriers in reaching smaller and informal groups, due in part to Canada's risk tolerance and compliance requirements. Grantee feedback underscores the importance of simplifying reporting processes, reducing administrative burdens and dedicating more resources to organisational learning. These seem to be particularly relevant for structurally excluded communities like LGBTQI+ groups and women with disabilities.

Looking ahead, Canada aims to refine the WVL programme to deepen local capacity and broaden its impact. The renewed WVL prioritises continued institutional strengthening for local WROs, including flexible funds for training, mentorship and core operational costs (Global Affairs Canada, 2024^[55]). It also intends to make reporting more user friendly and to tailor rapid-response grants for emerging crises.

Note: This practice is documented in more detail on the Development Co-operation TIPs • Tools Insights Practices platform at www.oecd.org/development-cooperation-learning.

Source: Global Affairs Canada (2025^[53]), *Women's Voice and Leadership Program*, https://www.international.gc.ca/world-monde/issuues_development-enjeux_developpement/gender_equality-egalite_des_genres/wvl_projects-projets_vlf.aspx?lang=eng; Global Affairs Canada (2024^[55]), "Renewal of the Women's Voice and Leadership program: What we heard report", <https://www.international.gc.ca/transparency-transparence/global-health-sante-mondiale/women-voice-leadership-voix-leadership-femms.aspx?lang=eng>.

Recommendations

- Canada should keep the strong focus of its development co-operation on gender equality, including the support for women's rights organisations, and keep-up the work and championing of this topic in a challenging global context.
- Canada should strengthen accountability on gender equality across the administration to maintain coherence and consistency in the feminist approach, including by strengthening inter-departmental engagement.

Financing sustainable development, from advocacy to mobilising innovative finance

Canada leverages its participation in multilateral fora to advocate for the new ways to finance the sustainable development agenda

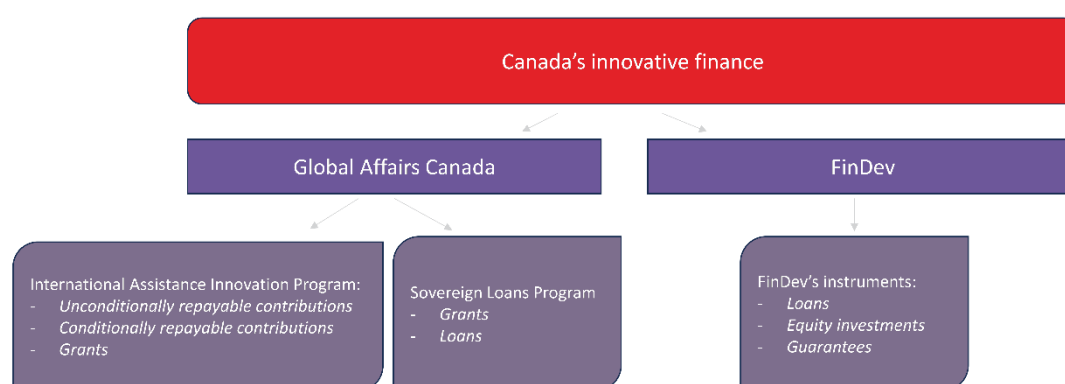
Canada engages in shaping global development financing through its strong participation in multilateral fora. As a G7 member, Canada focuses its global advocacy on modernising the architecture of sustainable development finance by, for instance, recently supporting the investment in hybrid capital at the World Bank and pushing for expanded multilateral development banks' lending capacity (Global Affairs Canada, 2024^[13]). During the 2025 presidency of the UN Economic and Social Council, Canada has created opportunities for dialogue between international financial institutions and the UN to foster greater collaboration and coherence among these major development actors (Government of Canada, 2024^[56]). Canada also supports and fosters dialogue and exchange on emerging financing needs, such as debt sustainability in low-income countries, in addition to co-chairing the UN Group of Friends of SDG Financing and contributing to preparations for the 4th International Conference on Financing for Development in Seville. In a context of proliferation of vertical funds and other initiatives in the post-COVID-19 landscape, there is a risk of fragmentation since different providers launch separate mechanisms without always co-ordinating efforts (OECD, 2023^[57]). By playing a stronger harmonising role through its participation in international fora, Canada could help avoid fragmentation across multilateral initiatives. Canada is well placed to advocate for better coherence by urging alignment, for instance, among vertical funds, in climate finance or in global health, to ensure that global financing efforts remain both comprehensive and mutually reinforcing. To do so, it can build on its experience with supporting the Lusaka Agenda and the Future of Global Health Initiatives.

Canada champions gender-responsive financing as a central part of its advocacy for financing the SDG agenda. Underpinned by the FIAP, Canada ensures that gender equality is systematically integrated into global financing initiatives, leveraging its political engagement in different fora. For instance, the 2X Challenge,¹⁹ launched during Canada's 2018 G7 Presidency, has mobilised significant resources towards women's economic empowerment, encouraging G7 DFIs and other investors to channel capital into women-led businesses and underserved markets (2X Challenge, 2024^[58]). In addition, Canada's promotion of gender lens and impact investing – exemplified by the Equality Fund, which was launched by Canada in 2019 to provide a sustainable source of funding for women's movements globally (Equality Fund, 2025^[59]) – broadens the scope of its feminist approach, aligning innovative finance investments with gender equality. By consistently advocating for gender-responsive innovative financing, Canada reinforces its global leadership in feminist development co-operation while promoting transformative approaches that advance both women's rights and the broader SDG agenda in partner countries.

Canada has benefited from a strong political push to explore and pilot innovative finance

Canada's political leadership and advocacy in international fora on financing for sustainable development have provided a strong mandate for deploying innovative finance tools. Canada defines innovative finance as its international assistance that is not grant based (Global Affairs Canada, 2024^[13]). Guided in part by the recommendations of the 2018 DAC Peer Review, and anchored in its 2019 Private Sector Strategy (Global Affairs Canada, 2019^[60]), Canada has deployed innovative finance initiatives through two major financing envelopes for non-grant instruments. Together, these envelopes represent the lion's share of Canada's private sector mobilisation efforts. One is managed by FinDev Canada, its DFI established in 2018 to spur private sector investment in partner countries, and the other is managed by GAC (Figure 12). GAC encountered two sets of difficulties in mobilising its envelope. First, capacity constraints including limited innovative finance expertise and a restricted operating environment hindered the swift disbursement of innovative finance. Second, GAC faced parliamentary pressure to demonstrate short-term outcomes, though longer time frames are required for innovative finance to show concrete results. FinDev Canada's first steps as the new Canada DFI are addressed elsewhere in this report (see Work on transparency and additionality could accelerate FinDev Canada's promising progress).

Figure 12. Canada's innovative finance



Note: GAC's definition of innovative finance refers to all international assistance that is not grant based. Repayable contributions are loan-like instruments that were developed to support commercial projects while complying with Canada's public sector prohibition on investing in for-profit structures

Diversifying instruments could help harness the full potential of innovative finance. In 2023, Canada's total ODA portfolio mainly mobilised traditional instruments: 73.1% of disbursements were provided in the form of grants and the remaining 26.9% in the form of non-grants.²⁰ The same year, private sector instruments represented 4.8% of total ODA, compared to a DAC average of 1.1%; extending USD 529.8 million to developing countries on a cash flow basis, mostly provided as direct debt (91.6% of support), and as fund equity (8.3%) (OECD, 2025^[9]). Whether through GAC or FinDev Canada, Canada could consider a greater mix of innovative tools that includes equity investments or other forms of risk-sharing to reach its development objectives to fit each partner country unique financial needs and risk profiles. Such steps would require sustained political support for the deployment of innovative finance tools (Global Affairs Canada, 2024^[13]), which could facilitate the necessary policy adjustments to implement diverse financial instruments tailored to Canada's development goals.

There are demands and opportunities for innovative finance in countries where Canada engages. Staff in the missions, for instance in Colombia, highlight the increasing importance of innovative finance in

upper middle-income countries (UMICs) where ODA is declining. There are also opportunities for innovative finance in partner countries with emerging dynamic private sectors such as Nigeria, where recipients could benefit from more tailored financial solutions beyond grants. The experience of implementors such as the Nigerian investment funds partnering with Canada suggests that non-grant financing, including loans and equity investments, could be well received. Indeed, other development co-operation providers have begun offering these innovative financial instruments to Canada's partners in Nigeria, showing both the demand and need for such non-granting solutions.

Building on this mandate and demand, Canada has been testing innovative finance tools alongside technical assistance with the aim of mobilising private sector capital and additional resources.

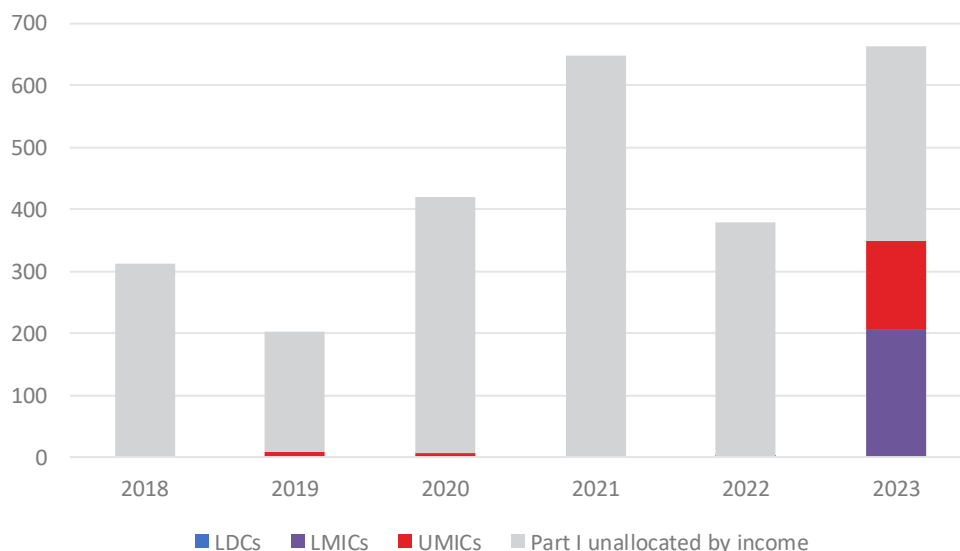
Canada's first generation of innovative finance programmes, the International Assistance Innovation Program and the Sovereign Loans Program, have been pivotal in testing and refining mechanisms to attract additional resources beyond ODA (Figure 12). During the pilot phase, GAC has actively sought to learn from its experiences by reforming its operating environment and seeking to better understand what is feasible in different geographic contexts. This phase also provided an opportunity to strengthen its knowledge of non-grant financing. Because Canada's legal framework was not originally conducive to innovative finance, new funding instruments had to be developed to navigate legal and administrative constraints; among them repayable contributions – in practice, loans for for-profit organisations.²¹

Efforts to mobilise innovative finance in Least Developed Countries (LDCs) has been a learning experience

Innovative finance partly aligns with Canada's geographic priorities. Non-grant financing delivered by GAC mainly reaches lower middle-income countries (LMICs) which received 89% of country allocable innovative bilateral ODA in 2022-23. Private sector instruments delivered by FinDev Canada reach UMICs (OECD, 2025^[9]) (Figure 14). GAC differentiates itself from FinDev Canada by its limited engagement in UMICs but has faced challenges in deploying innovative instruments in least developed country (LDC) contexts. GAC is aware of this tension, noting that risk management frameworks and less risky approaches may steer investments away from LDCs (Global Affairs Canada, 2024^[13]).

Figure 13. GAC's bilateral innovative finance deployment notably increased in 2023

GAC disbursements, USD million, 2022 constant prices



Note: The figure is based on a narrow definition of innovative bilateral ODA disbursed by GAC that is GAC bilateral ODA excluding grants and government to government loans. LDCs= Least developed countries; LMICs= lower middle-income countries; UMICs= Upper middle-income countries

Source: OECD (2025^[9]), *OECD Data Explorer, Creditor Reporting System (database)*, <http://data-explorer.oecd.org/s/3c>.

StatLink  <https://stat.link/jdahul>

Innovative finance has been part of Canada's climate finance and contributed to learning in the deployment of such finance. Canada has committed to climate finance by allocating substantial resources and setting ambitious targets. For instance, Canada committed to doubling climate finance to CAD 5.3 billion over 2021-26, with 60% to be made up of innovative (repayable) finance instruments, and at least 40% of funding to climate adaptation projects (Government of Canada, 2024^[61]).²² In 2023, Canada committed USD 542 million (11% of total allocable aid) to climate mitigation and USD 1083 million (22% of total bilateral allocable aid) to adaptation; 59% of commitment to climate mitigation (USD 318 million) and 29% of commitment to climate adaptation (USD 318 million) were provided through innovative instruments.²³ Climate finance provided through innovative finance was mainly delivered through private finance instruments and multilateral institutions, including the World Bank and the Global Environment Facility (OECD, 2025^[9]), and was regionally allocated. Canada concluded from its experience that while innovative finance instruments could be easily mobilised for mitigation, developing market for adaptation required further efforts. By building on existing climate-focused tools, such as mainstreaming climate considerations, and adopting climate-resilient debt clauses,²⁴ Canada could develop a more comprehensive approach that strengthens environmental resilience in the countries most in need while also refining its innovative finance. By drawing on countries' adaptation and mitigation needs, Canada can select the appropriate instrument for best impact in delivering on developing country goals and overall climate objectives.

Building on lessons learned, Canada can further deploy innovative instruments

GAC is learning from its pilots. The initial piloting of innovative finance instruments has offered valuable lessons, including the need for clearer priorities on geographies and sectors, stronger risk appetite, and

defined complementarities among tools. Feedback from the virtual mission to Colombia also suggests that these pilot instruments require adjustments. Specifically, there is a need to explore hybrid grant and loan combinations and to refine indicators to capture both quantitative and qualitative outcomes in conditional repayable contributions (CRCs). Additionally, reducing lengthy approval processes that are ill-suited to private sector demands is necessary.

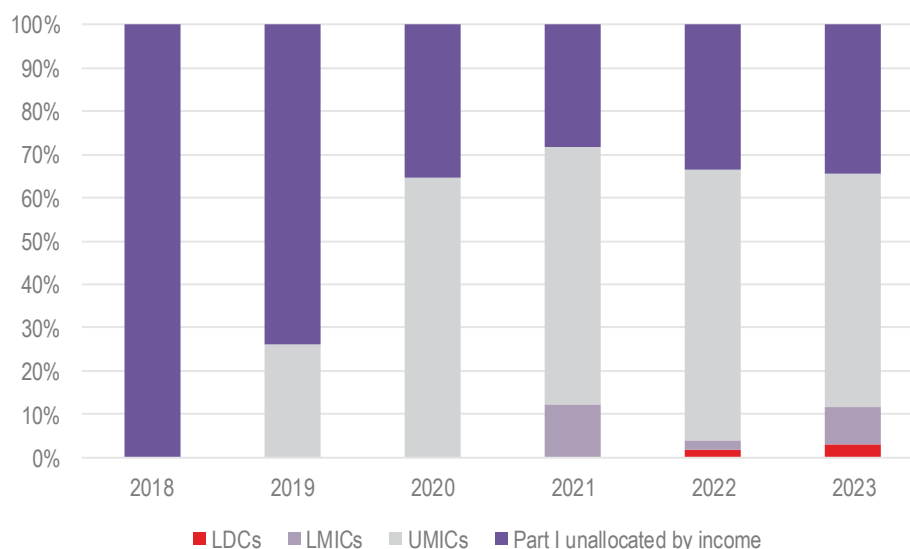
Expanding training and guidance on innovative finance across GAC, beyond the dedicated team, would help integrate these tools into GAC's broader portfolio. At GAC headquarters, initial progress has been made in navigating legal constraints to expand Canada's innovative finance toolkit regarding CRCs, allowing Canada to support commercial projects through repayable contributions while complying with Canada's public sector prohibition on investing in for-profit structures. However, limited expertise among staff, both centrally and in the country offices, poses challenges for refining innovative finance and reaching niche geographies and sectors where non-grant making can make a difference. Rolling out access to training and guidance for selected teams and missions where there is potential for innovative finance could prepare staff to make further use of innovative finance tools and encourage them to adopt programming differently as they implement approaches developed at headquarters. This approach could ensure that the expertise is not siloed, enabling more staff to confidently engage in innovative finance and harness opportunities to expand these tools across countries and sectors.

Work on transparency and additionality could accelerate FinDev Canada's promising progress

FinDev Canada has made promising strides as a relatively new DFI. FinDev Canada was established in 2018 as a Crown corporation wholly owned subsidiary of Export Development Canada (EDC) to support the private sector in emerging markets and developing economies while maintaining financial sustainability (FinDev, 2024^[62]). This structure enables FinDev Canada to leverage EDC's expertise while adopting a less risk-averse approach than that of DFIs regulated as banks or owned by private shareholders. Most of its instruments are delivered through financial intermediaries (60.8%), reflecting FinDev Canada's preference for partnering with established institutions. FinDev Canada focuses its investments mainly in sub-Saharan Africa (43.7%) and Latin America and the Caribbean (43.2%) (FinDev, 2025^[63]). Although FinDev Canada is not subject to Canada's ODA Accountability Act or the FIAP framework, it has adopted several policy guidance documents to ensure sustainable investments, including a Code of Conduct, Environment and Social Policy, and Procurement Policy (AidWatch Canada, 2025^[64]). Additionally, FinDev Canada defines itself as a gender lens investor and integrates gender equality and women's empowerment into its investment decisions. Recent developments such as recapitalisations,²⁵ market testing and the opening of regional offices indicate that FinDev Canada is transitioning from early-stage experimentation to expanding its investments and becoming a more established DFI. However, FinDev Canada's contribution to Canada's broader development co-operation portfolio remains unclear. Most of FinDev Canada's activities are concentrated in UMICs (Figure 14) and primarily focus on banking and financial services and energy sectors (OECD, 2025^[9]), which diverges from the FIAP's focus on the poorest countries.

Figure 14. FinDev Canada's efforts are mainly mobilised in upper middle-income countries

FinDev Canada's disbursements by income group



Note: LDCs= Least developed countries; LMICs= lower middle-income countries; UMICs= Upper middle-income countries

Source: OECD (2025^[9]), *OECD Data Explorer, Creditor Reporting System (database)*, <http://data-explorer.oecd.org/s/3c>.

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Strengthening FinDev Canada transparency can contribute to the steering of a coherent system.

Canada reports timely and comprehensive data on FinDev Canada's private sector instruments to the OECD according to DAC standards. FinDev Canada has a Transparency and Disclosure Policy that provides aggregated and transaction-level information, ensuring timely reporting (FinDev Canada, 2025^[65]). However, Canada has itself called for more open data on development finance through the Global Emerging Markets Risk Database Consortium, reinforcing its advocacy for international financial institutions to make data publicly available (Global Affairs Canada, 2024^[13]). While FinDev Canada's approach focuses on transaction-level disclosures, other institutions, such as the International Finance Corporation, deploy more comprehensive project-level transparency practices that include impact assessments, additionality and development results. Increased openness about FinDev Canada's project details, financial terms and development outcomes could further help clarify how its investments support development impacts such as poverty reduction, climate action and gender equality. By following good practice across the DFIs of other DAC members, Canada could also report data to additional transparency initiatives such as the DFI Transparency Index of Publish What You Fund (2024^[66]). Strengthening transparency and accountability would enable stakeholders such as GAC, partner governments and civil society to better assess the quality and impact of FinDev Canada's operations. Accessible and comprehensive reporting could reinforce FinDev Canada's contribution to advancing Canada's development co-operation efforts.

FinDev Canada's focus on UMICs highlights the need to clarify mobilisation, additionality and measurement to ensure better alignment with its development objectives.

By applying a gender lens approach and focusing on underserved segments, FinDev Canada aspires to deliver genuine development additionality and advance market development, climate action and gender equality. For example, FinDev Canada's support through Banco de Occidente for women-led small and medium-sized enterprises in Colombia's rural areas addresses critical financing gaps that are often overlooked by commercial banks

and other DFIs. However, FinDev Canada's operations largely engage in UMICs where commercial banks often are already active. While FinDev Canada assesses each transaction for impact along three development priorities (market development, gender equality and climate and nature action), it is important to clearly articulate and measure the unique development contributions to avoid duplicative efforts and ensure that its interventions remain distinct. Although FinDev Canada's 2023 Statement on the Operating Principles for Impact Management sets out its definition of additionality (FinDev Canada, 2023^[67]), the current framework lacks detailed guidelines for assessing the unique contributions of its investments. This gap can result in difficulties in evaluating the developmental contribution ex post and might obscure how FinDev Canada's initiatives are distinct from those of commercial banks and other financial institutions. Developing a comprehensive additionality framework could help define and measure development outcomes more explicitly, including through additionality tests (OECD, forthcoming^[68]) in line with the DAC definition of additionality,²⁶ help further align FinDev Canada contributions to Canada's broader development co-operation objectives, and ensure that its efforts do not overlap with other actors' financial operations.

FinDev Canada could accelerate the deployment of innovative finance by learning from its own experience and those of other DFIs. During its first years of functioning, FinDev Canada often joined the projects of other DFIs, thereby gaining exposure to diverse contexts and innovative finance approaches. Now that it is aiming to operate as the sole investor more regularly, FinDev Canada can leapfrog by internalising good practices from other DFIs that started their journey earlier. For instance, FinDev Canada could draw lessons from the efforts of Norway's Norfund to clarify additionality through a dedicated framework. FinDev Canada could also learn from the experience of France's Proparco of developing its strategy in close collaboration with the French Development Agency (OECD, forthcoming^[68]). Learning from the strengths and challenges of DFIs that started their journey before could help FinDev Canada refine its strategies and tools while accelerating progress against its developmental objectives.

Clarifying the complementarity between GAC and FinDev Canada would help advance Canada's development objectives

Building on complementarities with FinDev Canada, GAC could find its niche to reach those furthest behind. Currently, GAC's innovative finance operations primarily focus on LMICs (Figure 13), while FinDev Canada allocates a significant portion of its financing towards UMICs (Figure 14), indicating some division of labour. In addition to financial resources, technical assistance and network building for local partners, governments and private sector stakeholders are a crucial component of GAC's innovative finance efforts to harness private sector resources for development, as observed in Colombia. Convergence, Canada's platform bringing public and private investors for blended finance investments in emerging and frontier markets, complements efforts to strengthen the enabling environment efforts (Global Affairs Canada, 2025^[27]). Further clarifying which agency does what could ensure that each Canadian institution operates where it adds the greatest value – for instance, that GAC is to focus on poverty reduction and challenging environments, complemented by technical assistance, and FinDev Canada is to target MICs, climate action and economic sectors. This approach could better align investments with the FIAP priorities and the 2X Challenge,²⁷ supporting engagement in poorer countries, potentially enabling more ambitious work in higher-risk environments, and fostering complementarities and synergies.

GAC and FinDev Canada could seek to complement each other's efforts in relevant geographies. Evaluations indicate that GAC does not consistently rely on FinDev Canada's services to advance its development co-operation priorities (Global Affairs Canada, 2022^[26]), underscoring a missed opportunity to leverage FinDev Canada's private sector expertise where synergies are possible. Improved co-ordination at headquarters beyond ad hoc consultations, could facilitate coherent and strategic planning and execution, including through GAC's integrated country strategies where they exist. The planned opening of a regional office in the Indo-Pacific for FinDev Canada will be an opportunity to also strengthen

communication in various countries. By leveraging FinDev Canada's tools, networks and expertise closer to GAC's broader development approach, both actors could better harness the full potential of innovative finance for advancing Canada's priorities in partner countries.

Recommendations

- Canada should continue to use its leadership in multilateral fora, such as the G7 and G20, to advocate for effective international assistance, with a particular focus on promoting gender equality and an inclusive international finance architecture.
- To accelerate progress on innovative finance:
 - GAC should focus its use of innovative finance in the more challenging contexts, such as underserved markets, including by strengthening the enabling environment and building on lessons learned from its pilot instruments, thereby strengthening complementarity and co-ordination with FinDev Canada,
 - FinDev Canada should deepen its assessment of additionality and improve its measurement of its development impact.

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Notes

¹ In the FIAP, Canada committed to allocate 80% of its bilateral ODA through GAC for initiatives designed to achieve gender equality and the empowerment of women and girls across all international assistance efforts (mainstreaming); 15% of bilateral ODA across all action areas to implement initiatives dedicated to advancing gender equality and improving the quality of life of women and girls (targeted); and CAD 150 million over five years to support local women's organisations and movements.

² They were limited to a ceiling of USD 190 000.

³ Locally engaged staff represent 40% of total GAC staff and on average 80% of GAC staff in missions.

⁴ According to GAC, the CFLI provides modest funding for small-scale, high-impact projects in more than 120 ODA-eligible countries. Its annual programming budget amounts to CAD 26.8 million, and its projects average CAD 31 000 each. Projects are planned and implemented mainly by local organisations and are selected and approved by the relevant Canadian embassy or High Commission. More information is available at <https://www.international.gc.ca/world-monde/funding-financement/cfli-fcil/index.aspx?lang=eng>.

⁵ For more information on the Equality Fund, see <https://equalityfund.ca/> and https://www.oecd.org/en/publications/2021/03/development-co-operation-tips-tools-insights-practices_d307b396/bridging-the-funding-gap-for-women-s-rights-organisations-canada-s-support-through-the-equality-fund_048ded61.html.

⁶ Canada's initiative for small and medium organisations has three programming windows: the Development Impact Window, the Fund for Innovation and Transformation, and the Spur Change programme for capacity building and knowledge sharing. See https://www.international.gc.ca/world-monde/funding-financement/small_medium_organizations-petit_moyenne_organisation.aspx?lang=eng.

⁷ Canada provided 0.18% of GAC's bilateral ODA to public awareness in 2022-23, including through funding streams dedicated to public awareness campaigns, such as those focused on global citizenship education, global engagement through volunteering and internships, and sustainable development. GAC further supports public awareness through its partnerships with provincial and regional councils under the Intercouncil Network on International Development reaching 5 million Canadians. The International Development Week organised every year across the country provides an opportunity to inform, inspire and celebrate Canadians' global impact on international development with a diverse range of stakeholders.

⁸ For instance, the 2024 evaluation of the Partnership for Gender Equality recommended that GAC "identify approaches to risk management used by the Equality Fund Initiative with its grantees that can inform how the department develops and manages partnerships". See <https://www.international.gc.ca/transparency-transparence/audit-evaluation-verification/2024/pge-summary-sommaire.aspx?lang=eng>.

⁹ In Canada, a deputy minister is the senior civil servant in a government organisation and acts as the functional head of the department. Deputy ministers are Governor-in-Council appointments made on the advice of the prime minister.

¹⁰ Other challenges identified in the audit included weaknesses in GAC's information management systems and the need to take a more inclusive approach that considers aspects of identity beyond gender and age in project-level gender equality assessments.

¹¹ The five pillars of the transformation initiative are as follows:

1. organisational culture – strengthening the foundation; pushing for shared values and principles; equity, diversity and inclusion; and collaboration and knowledge sharing as set forth in GAC's [North Star Statement](#)
2. people – becoming an employer of choice in Canada and abroad, providing a more agile service model, supporting deployment abroad, and strengthening the role of heads of mission
3. global presence – increasing influence and engagement where it matters most, including in multilateral organisations
4. policy – leveraging strengths to advance Canada's national interests in the areas of open policy, cyber and digital leadership, climate change, green transition and critical minerals, and crisis response
5. processes and tools – building a high-performing organisation.

¹² Civil society in Canada regularly point to this limitation and regularly advocate for a comprehensive feminist international policy.

¹³ The Expert Deployment Mechanism is a seven-year (2018-25) initiative designed to contribute to poverty reduction by deploying Canadian and international technical experts to assist developing countries to negotiate, implement, adapt to and benefit from their trade and investment agreements with Canada. It was launched with a budget of CAD 16.5 million, and as of March 2023, CAD 6 million had been disbursed for projects in Colombia, Paraguay, Peru, Viet Nam and the Association of Southeast Asian Nations region and work was also underway to expand project activities to Indonesia, Malaysia and Thailand.

¹⁴ Such support could include, for example, the Minerals Security Partnership to nurture durable and responsible investment in the extractives sector and continued engagement within the Extractive Industries Transparency Initiative, which Canada has long supported.

¹⁵ The GAC Evaluation Division's report on Canada's strategy to respond to the Rohingya and Myanmar crises from 2017-18 to 2022-23 concluded that "Canada's advocacy and support to livelihoods and skills development were key to meeting the needs of Rohingya refugees and crisis-affected populations, as the protracted crises led to continued dependence on international humanitarian assistance". See <https://www.international.gc.ca/transparency-transparence/audit-evaluation-verification/2024/rohingya-rohingyas-myanmar-summary-sommaire.aspx?lang=eng>.

¹⁶ The crisis pool is primarily used to fund additional humanitarian assistance but can also be mobilised for stabilisation, recovery, rehabilitation, reconstruction, disaster risk reduction and short-term development assistance.

¹⁷ In the FIAP, Canada committed to allocate 80% of its bilateral ODA through GAC for initiatives designed to achieve gender equality and the empowerment of women and girls across all international assistance

efforts (mainstreaming) and 15% of bilateral ODA across all action areas to implement initiatives dedicated to advancing gender equality and improving the quality of life of women and girls (targeted).

¹⁸ Canada makes use of GBA+ as a tool for examining gender differences. The “plus” highlights the fact that GBA is not just about biological (sex) and socio-cultural (gender) differences. It examines how multiple identity factors are interdependent and often combined. GBA+ provides a framework to contextualise the range of personal attributes such as age, disability, education, ethnicity, economic status, geography (including rurality), language, race, religion and sexual orientation and ensure that these factors do not limit success and inclusion.

¹⁹ The 2X Challenge is an initiative started by G7 DFIs to mobilise USD 15 billion by 2022 to support women’s economic empowerment in Latin American and the Caribbean and sub-Saharan Africa by investing in women-led businesses and promoting gender lens investing. It is funded by the government of Canada, and Canada’s contribution is led by FinDev Canada. For more information, see <https://www.2xchallenge.org/>.

²⁰ The calculations for 2023 include private sector instruments (i.e. category 60).

²¹ Canada’s CRCs are a financial instrument used to encourage private sector investment in high-risk contexts such as LDCs and fragile regions by providing funding that must only be repaid under certain conditions, for example project success. In practice, CRCs function as loans to for-profit organisations. Since Canadian public sector policy prohibits investing in for-profit structures, CRCs offer a workaround by allowing Canada to support commercial projects without gaining a direct return on investment. Instead, Canada can reclaim funds if specific conditions, such as successful outcomes or profitability thresholds, are met. This tool serves to reduce risks for private investors, creating an incentive to participate in sustainable development projects in challenging environments where traditional financing options may be limited. More information can be found here: <https://www.international.gc.ca/world-monde/funding-financement/conditional-repayable-remboursable-conditions.aspx?lang=eng>

²² In its self-assessment for this peer review, Canada reported that its recent environmental commitments include USD 1 billion to the Climate Investment Funds’ Accelerating Coal Transition investment program to support the decommissioning of coal-fired power plants and reduce coal-related emissions; USD 16 million to the new global Fund for responding to Loss and Damage (established at COP28 in 2023); USD 350 million to support developing countries in implementing the Kunming-Montreal Global Biodiversity Framework, USD 200 million of which was committed to the Global Biodiversity Framework Fund at the Global Environment Facility; and a USD 120 million sovereign loan and a USD 6.5 million technical assistance grant to South Africa in support of its Just Energy Transition Partnership.

²³ GAC’s internal planning figures suggest that Canada is on track to meet its 40% adaptation target by the end of the commitment period.

²⁴ In October 2023, Canada announced it would offer climate-resilient debt clauses in all new sovereign lending. Such clauses support borrowing countries’ resilience by automatically deferring debt payments in the event of a pre-defined exogenous event (such as a climate incident, natural disaster, pandemic or epidemic), freeing up critical resources required to respond to the immediate crisis, according to Canada’s self-assessment for this peer review. Since its introduction in 2018, this mechanism has only been applied twice.

²⁵ FinDev Canada was launched by the government of Canada in 2018 with an initial capitalisation of CAD 300 million and was further recapitalised in 2021 with an additional CAD 300 million. In 2022, Canada announced an additional CAD 750 million in recapitalisation to FinDev Canada to support Canada's international development priorities, including expanding into the Indo-Pacific region, according to Canada's self-assessment prepared in connection with this peer review.

²⁶ The 2021 OECD DAC Blended Finance Guidance frames financial additionality as follows: "Public finance should only be used to catalyse private finance through blended finance structures if there is a plausible degree of certainty that private investment is required and is not forthcoming on its own and that blended finance delivers additional development outcomes over those delivered purely by the amount of public finance used for blending. Otherwise, blended finance risks unduly subsidising commercial finance and potentially distorting markets as a result ... [The] incremental outcomes catalysed by a blended finance transaction beyond what public and private finance alone would be able to deliver need to be clearly identified, e.g. through a clear theory of change that can be monitored with key performance indicators for development impact and additional amounts of private finance catalysed for financial additionality". See <https://doi.org/10.1787/ded656b4-en>.

²⁷ The 2X Challenge is a blended finance initiative launched at the G7 Summit in Canada in 2018 to collectively mobilise USD 3 billion in private sector investments in developing country markets over three years. This initiative built the field of gender lens investing, mobilising a total of USD 33.63 billion to support gender equality and women's economic empowerment from 2018 to 2023. The 2024 G7 Leaders' Summit in Italy welcomed the new commitment by development and multilateral finance institutions to invest at least USD 20 billion over 2024-27 to advance measurable changes and financing directed to women's empowerment.

Annex A. Progress since the 2018 DAC peer review recommendations

Towards a comprehensive development effort

2018 Peer Review Recommendations	Progress
Global Affairs Canada should work with the Privy Council Office and other departments to establish a mechanism enabling Canada to analyse areas where its domestic policy and regulatory framework has potentially negative impacts on developing countries and identify actions to address this.	<i>Partially implemented</i> Canada's 2030 Agenda National Strategy encourages government organisations to assess the social, economic and environmental impacts of policies by identifying gaps, synergies and trade-offs towards advancing the Sustainable Development Goals (SDGs), including transboundary impacts. There is limited evidence that transboundary impacts are analysed.

Vision and policies for development co-operation

2018 Peer Review Recommendations	Progress
Global Affairs Canada should complete and disseminate policies for the six priority action areas in its feminist international assistance policy and provide updated guidance and tools which will enable staff and partners to implement them.	<i>Implemented</i> Action area policies were published in 2019 together with guidance notes and additional policies.
Canada should clearly communicate how its new approach to partnering will enable it to implement development effectiveness principles.	<i>Partially implemented</i> Canada is aiming to diversify its approach to partnership and improve quality funding but has yet to clearly articulate how all the different initiatives fit together and to fully implement a more nationally and locally led agenda.

Aid volume and allocation

2018 Peer Review Recommendations	Progress
Canada should introduce an ambitious target for increasing its share of ODA in gross national income and set out a path to meet the target, in conformity with the international commitments outlined in the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda.	<i>Partially implemented</i> The Minister of International Development is tasked with increasing Canada's international development assistance every year to 2030 to realise the SDGs, but the government has no specific plan to move towards the United Nations target of 0.7% ODA/GNI, and no targets were set. Nonetheless, ODA levels have been increasing since 2018.

Organisation and management

2018 Peer Review Recommendations	Progress
Global Affairs Canada should resolve the remaining amalgamation challenges by creating a unified culture across the department, and by harmonising and streamlining departmental systems and processes.	<i>Partially implemented</i> GAC is continuously working on building a shared culture and improving its organisational effectiveness, which are key priorities of the ongoing transformation initiative.
As it implements the feminist international assistance policy, Global Affairs Canada should ensure that staff are able to access the technical support they need, and build their own expertise, in order to experiment, innovate and take responsible risks.	<i>Implemented</i> GAC conducts regular consultations to identify learning needs, has set up an advisory committee for international assistance learning, and developed foundational training for foreign service recruits. GAC is also aiming to transform its grants and contributions processes to support risk taking and innovating. Attracting and building niche expertise remains a challenge.

2018 Peer Review Recommendations	Progress
In order to make the programming process more efficient, Global Affairs Canada should expand its use of service standards and provide managers with timely data on their application.	<i>Partially implemented</i> Service standards will cease to exist. The Grants and Contributions Transformation Initiative aims to address programming efficiency.
Canada should consider increasing financial delegations for international assistance and agree an approach to grants and contributions which makes its international assistance efficient, effective, and innovative, while also ensuring adequate controls.	<i>Implemented</i> Financial delegation towards GAC increased in 2018, and delegation of authority to missions is progressing.

Development co-operation delivery and partnerships

2018 Peer Review Recommendations	Progress
Global Affairs Canada should evaluate the quality, efficiency and effectiveness of its engagement with Canadian, international and local civil society organisations, and consider further strengthening predictability, for example through core funding.	<i>Implemented</i> Canada has developed a civil society organisation policy and set-up an advisory group (CSO Policy Advisory Group - CPAG) to support the policy implementation including through monitoring. GAC has also developed new funding mechanisms that are more flexible and demand driven. The degree to which the good practices of these instruments are extended to the many other funding windows and calls for proposals is as yet unclear.
Global Affairs Canada should develop a strategy for private sector engagement, and accompanying guidance and tools.	<i>Partially implemented</i> A strategy was released in 2021 but implementation across GAC and the development of related guidance and tools have been challenging. After a pilot phase of innovative finance programmes, Canada now has room to further harness the potential of private sector engagement.
Canada should provide a greater level of unearmarked, core support to multilateral institutions.	<i>Partially implemented</i> The volume of Canada's core contributions increased from USD 1.4 billion in 2018 to 2.2 billion in 2022 (representing 34% of multilateral ODA). However, non-core contributions increased as a share of total multilateral contributions, with core contributions slightly decreasing from 24.5% to 23.6% over the period while project-type earmarking increased from 13.9% to 25.2% of the total.
Canada should engage in regular, strategic dialogue with its key multilateral partners within an overall strategic framework for its multilateral engagement.	<i>Partially implemented</i> While GAC engages at both the policy and technical levels in Canada and through boards, strategic dialogue and portfolio review are not systematic.

Results and accountability

2018 Peer Review Recommendations	Progress
As Global Affairs Canada finalises its approach to results-based management it should ensure that results frameworks are simple and can demonstrate progress towards Canada's policy goals.	<i>Partially implemented</i> GAC has developed multiple tools to measure results and report on FIAP priorities including by developing results framework for each action areas under the FIAP, building an integrated architecting for results connecting results frameworks at the project, programme and corporate level and fostering a coherent approach to results management across the department. GAC is working on improving its approach to measuring and using policy results, though a new approach is yet to be rolled out.
Global Affairs Canada should strengthen efforts to support and use country-owned data and results as it monitors its international assistance programming.	<i>Partially implemented</i> GAC's approach to results focuses on GAC logical frameworks and key performance indicators. Staff are recommended to use nationally owned results-based management systems, whenever possible and relevant. As part of the Grant and Contributions Transformation Initiative, the approach to results in the future should be able to collect partners' own data and results.

Annex B. Progress against OECD legal instruments under the responsibility of the DAC

Recommendations adopted by the Development Assistance Committee

DAC Recommendation on the Terms and Conditions of Aid [[OECD/LEGAL/5006](#)]

The average grant element of Canada's official development assistance (ODA) commitments was 82.3% in fiscal year 2022-23, below the norm of 86% (paragraph 2 of the Recommendation on the Terms and Conditions of Aid). At 0.37% in 2022 and 0.38% in 2023, Canada's ODA disbursements as a share of gross national income were similar to the 0.37% DAC country average country effort in both years (paragraph 3 of the Recommendation).

In both 2022 and 2023, Canada met the commitment on the special terms for least developed countries (LDCs) (paragraph 8 of the Recommendation), thereby exceeding the 90% norm. The grant element of bilateral ODA commitments to LDCs was 100% in 2022-23. Over 2021-23, Canada also met the alternative norm of maintaining a three-year average of grant element of bilateral ODA to LDCs beyond 86%.

DAC Recommendation on Untying Official Development Assistance [[OECD/LEGAL/5015](#)]

Canadian ODA is compliant with the DAC Recommendation on Untying Official Development Assistance. In 2022-23, 100% of its ODA allocated to the countries and sectors covered by the Recommendation was untied against a target of 100%. Regarding its total bilateral ODA to all other sectors and countries beyond the scope of the Recommendation, 99% was untied. Canada is one of the DAC members that adheres strongly to the transparency provisions of the DAC Recommendation by reporting ex-ante notifications of procurement opportunities and ex-post statements on contract awards (OECD, 2022^[1]). In 2022, Canada awarded 84 untied contracts with a combined value of USD 40 million; it awarded 85% of them (in terms of number) and 97% (in terms of value) to suppliers based in Canada.

Canada achieves untying through two primary mechanisms: providing flexible funding and untying procurement-related ODA. Approximately 50% of Canada's ODA covered by the Recommendation was disbursed through multi-donor mechanisms and pooled and/or basket funds. These flexible funding modalities are associated with the highest effectiveness in meeting untying objectives as they ensure that aid contributions are both de jure and de facto untied and that they support the broader DAC Recommendation objectives of co-ordination, alignment and ownership. Additionally, Canada unties procurement-related ODA by granting funds to civil society organisations (CSOs) without restricting their procurement choices even when grants are designated to Canadian CSOs. This is the same approach taken by many other DAC members.

DAC Recommendation on the Humanitarian-Development-Peace (HDP) Nexus [[OECD/LEGAL/5019](#)]

In 2020, GAC approved a comprehensive multi-year work plan to implement a humanitarian-development-peace nexus approach. From 2020 to 2022, the implementation of the work plan was driven by a Triple

Nexus Core Team with the aim of breaking down siloes and supporting integration. The recent reorganisation is expected to facilitate such integration, though programming siloes remain. In addition, there is still space to better identify entry points for each of the three pillars at the programming stage.

Canada has developed some internal toolkits to support risk-informed and gender-sensitive analysis, such as a conflict prevention framework for the Sahel and coastal West Africa, and to strengthen conflict sensitivity analysis, such as the Integrated Conflict Analysis Process. However, GAC mainly relies on external implementing partners for early warning and analysis. In addition, the limited expertise and guidance on how to conduct conflict-sensitive analysis within the development and humanitarian portfolio can hinder Canada's effort to both do no harm and to also keep this commitment as a top priority.

In addition to supporting the international dialogue on peacebuilding and statebuilding until 2024, Canada has championed the integration of women in the peace and security agenda. Canada supports co-ordination through its contributions to the UN Country-based Pooled Funds (CBPFs), the UN Office for the Coordination of Humanitarian Affairs flagship reform initiative, the joint UN Development Programme and UN Department of Political and Peacebuilding Affairs programme to strengthen national capacities for conflict prevention, and the UN partnership facility as well as Interpeace and the International Crisis Group. Canada also contributes to joined-up programming for Ukraine, Israel and Ethiopia.

In line with its commitment to localisation, Canada contributes to UN CBPFs, which are more accessible to local NGOs, and is strengthening its financial instruments targeted at local organisations, though these still account for a very limited share of Canadian funding.

DAC Recommendation on Ending Sexual Exploitation, Abuse and Harassment in Development Co-operation and Humanitarian Assistance [\[OECD/LEGAL/5020\]](#)

GAC's approach to prevent and respond to sexual exploitation, abuse and harassment (SEAH) is entrenched in its Values and Ethics Code and the Feminist International Assistance Policy (FIAP). GAC is committed to do no harm by engaging in partner dialogues, collaborating with donors and partners, helping to build capacity and pushing for increased survivor-centred approaches. GAC has zero tolerance towards and strongly condemns all forms of sexual misconduct, including sexual exploitation and abuse and sexual harassment in the delivery of international assistance.

In 2018, Canada established the Preventing Sexual Exploitation and Abuse and Harassment (PSEAH) team in GAC, which is dedicated to institutionalising its PSEAH approach throughout the department by building the capacity of their own staff members and of their funded partners, and by collaborating internationally to leverage collective engagement. This team is tasked with ensuring that Canadian partner organisations adhere to SEAH prevention and response measures (Global Affairs Canada, 2024^[2]).

Canada has implemented a reporting mechanism to receive cases of sexual exploitation, abuse and harassment in international assistance that ensure accountability and support for victims. Internally, GAC staff members and Canadian public servants can report sexual harassment through a variety of avenues and particularly through the 2021 Work Place Harassment and Violence Prevention Regulations (Government of Canada, 2021^[3]). GAC started publishing an annual misconduct and wrongdoing report in 2022-23, which included aggregate data on cases of sexual misconduct involving GAC staff members. Support services within GAC include the Employee Assistance Program, which offers psychological support and conflict resolution services, and a dedicated Workplace Harassment and Violence Prevention Division (Global Affairs Canada, 2024^[2]). Externally, Canadian partner organisations are required to maintain a publicly available code of conduct addressing SEAH to qualify for funding, and partners are responsible for reporting allegations of SEAH, investigating reported cases and reporting outcomes of such investigations, including disciplinary measures, to GAC (Global Affairs Canada, 2024^[2]).

Canada provides training and awareness raising to foster an environment free from SEAH. All GAC employees must complete the Workplace Harassment and Violence Prevention Learning Path when they

join the department and renew this training every three years. GAC employees, especially those working in international assistance, are encouraged to follow the Prevention of Sexual Exploitation and Abuse training. The PSEAH team offers team-specific information sessions as well. GAC also collaborates with the Canadian Centre of Expertise on the Prevention of Sexual Exploitation, Abuse, and Harassment, Digna, to expand CSO capacity to prevent and respond to SEAH (Digna, 2024^[4]). These efforts are complemented by GAC's outreach plan to reinforce responsibilities and encourage ongoing dialogue on PSEAH as well as annual dialogues with Cooperation Canada, which hosts Digna and also facilitates discussions on gaps in SEAH prevention and response.

Canada collaborates with international partners to enhance SEAH prevention and response. From May 2022 to August 2024, Canada co-chaired the Reference Group on the OECD DAC Recommendation on Ending SEAH. While Canada did not reprise its role as co-chair in 2024, it continues to actively participate in the Reference Group, sharing good practices and engaging in peer learning with other providers. It also engages with UN Women, the UN Population Fund and other UN entities to promote SEAH prevention and response mechanisms globally. Canada also supports survivor-centred approaches through funding and capacity-building initiatives such as Digna, and it partners with women's rights organisations (Global Affairs Canada, 2024^[2]).

DAC Recommendation on Enabling Civil Society in Development Co-operation and Humanitarian Assistance [\[OECD/LEGAL/5021\]](#)

Canada contributes to the protection and promotion of civic space through policies and programmes. It actively engaged in multiple multi-stakeholder fora to support knowledge sharing, advocacy and innovation to support the resilience of civil society to threats against civic space and is reflecting on the importance of applying a locally led lens and empowering CSOs to shape legal environments. Canada also funded programmes addressing inclusive electoral processes, political finance transparency, international participation of Indigenous leaders, and gender-based violence in online spaces as well as disinformation. GAC's contribution to the OECD upcoming toolkit on Co-ordinating Action for Civic Space will provide meaningful insights to DAC members.

The Canadian government engages in regular dialogue with Canadian civil society through the CSO Policy Advisory Group. While funding for local CSOs remains limited, GAC is advancing a policy approach to locally led development in consultation with civil society, with a policy guidance note planned for release in 2025. Since the last OECD-DAC peer review in 2018, GAC has also expanded its programmes targeting local organisations – particularly women's rights organisations including through the Equality Fund, the Women's Voice and Leadership programme, and the Canada Fund for Local Initiatives – and provides flexible multi-year and responsive funding to core activities of these organisations. Learning from these experiences could be applied and similar approaches implemented across GAC's CSO funding, including with a view to better balance competitive and core financing. Canada has also reviewed its tax guidance and amended the terrorist financing provisions of its criminal code, administrative revisions that also should foster a more locally led approach.

While Canada is supporting capacity strengthening, in particular regarding gender equality and anti-racism, more can be done to support mutual capacity strengthening and more equitable partnerships between Canadian and partner country CSOs. Sharing reflections and practices with CSOs, and with other DAC members, on how to best support CSOs' self-regulation and accountability could be useful for Canada and other DAC members.

In its role as incoming co-chair of the DAC Community of Practice on Civil Society, Canada will be well placed to further advance understanding and implementation of the Recommendation within GAC, with other DAC members in the Community of Practice and with external stakeholders.

DAC Recommendation on Gender Equality and the Empowerment of All Women and Girls in Development Co-operation and Humanitarian Assistance [\[OECD/LEGAL/5022\]](#)

Canada's Feminist International Assistance Policy (FIAP) focuses on gender equality and the empowerment of women and girls, positioning Canada as a recognised global leader on gender equality. The FIAP also helps ensure that gender equality is a core focus while being integrated into other key sectors.

Gender equality is incorporated across GAC's project cycle, with gender equality specialists providing support at the planning and approval stages to strengthen gender equality outcomes in projects and assess all projects for their score against the DAC gender equality policy marker. Implementing partners are also expected to develop a gender equality strategy at the project operationalisation stage and have gender equality expertise allocated as part of the team overseeing project implementation. Canada has designed innovative programmes such as Women's Voice and Leadership, providing multi-year core funding to ensure that women's rights organisations and LGBTQI+ groups have the flexibility to adapt to changing contexts and crises. The FIAP sets an ambitious financial target for promoting gender equality, aiming to ensure that 95% of Canada's ODA integrates gender equality objectives and 15% have gender equality as a principal (dedicated) objective.

Gender equality is embedded as a cross-cutting issue in monitoring and evaluation. Project and programme monitoring and evaluation must look at gender equality performance in terms of both the planned results achieved and how gender equality was taken into consideration overall. Canada is also experimenting with feminist approaches to monitoring and evaluation for improved learning in projects and programming. Notably, GAC is piloting a feminist monitoring, evaluation and learning system for the Women's Voice and Leadership programme. Canada can work to better leverage insights from these evaluations to clearly and effectively communicate their results.

The FIAP mandates all GAC staff to advance gender equality and women's empowerment. Training is available in several areas including Gender-based Analysis Plus, integrating gender equality in innovative financing investments, and tools to integrate gender equality in climate finance and gender performance incentives. However, GAC does not have a senior champion overseeing the implementation of training initiatives and ultimately general implementation of the FIAP.

Recommendations adopted by the Council under the DAC's responsibility (joint with other OECD committees)

Recommendation on Policy Coherence for Sustainable Development [\[OECD/LEGAL/0381\]](#)

Canada has made specific commitments to foster policy coherence for sustainable development as one of the five main objectives of its 2030 Agenda National Strategy (Government of Canada, 2021^[5]). The strategy notes that progress towards policy coherence has been slower than expected, and encourages government agencies to assess the social, economic and environmental impacts of policies, including transboundary impacts, including by identifying gaps, synergies and trade-offs in efforts to achieve the goals of the 2030 Agenda. The 2022-26 Federal Sustainable Development Strategy (Government of Canada, 2024^[6]), complemented by departmental sustainable development strategies, sets out goals and targets to achieve the Sustainable Development Goals (SDGs) and implement the UN Declaration on the Rights of Indigenous Peoples. Of particular importance is the attention Canada devotes to women's rights, gender equality and 2SLGBTQI+ (two-spirit, Lesbian, Gay, Bisexual, Transgender, Queer, Intersex Plus) rights. The 2024 Canadian Sustainable Jobs Act supports the creation of sustainable jobs for workers and economic growth in a net-zero economy (Government of Canada, 2024^[7]). Current reflections on

developing an action plan for policy coherence can help Canada further align with the OECD Recommendation.

Employment and Social Development Canada is the lead federal government department for the implementation of the 2030 Agenda in Canada, and GAC is the lead for advancing the Agenda internationally. Inter-departmental committees, at both assistant minister and deputy minister levels, act as steering committees for the implementation of the 2030 Agenda and sustainable development strategy. However, the SDG Unit of Employment and Social Development Canada has limited ability to mediate disputes and set cross-governmental priorities.

Canada has several processes in place across the federal government and within departments to facilitate the consideration of development issues and manage trade-offs in policy making. These include the Privy Council Office template for Cabinet memoranda, which requires departments to analyse and note the environmental and gender implications of policies; Finance Canada's Quality of Life framework;¹ the Cabinet Directive on the environmental assessment of policy, plan and programme proposals; the Canadian Gender Budgeting Act; and departmental plans and results reports identifying the alignment and contributions to the SDGs (OECD DAC, 2021^[8]). In addition, Export Development Canada (EDC) officials commented that since 2019, EDC has adopted a Human Rights Policy, developed Principles of Leverage and Remedy, and established an Environmental, Social and Governance Advisory Council.

However, more can be done to analyse transboundary impact, in particular on well-identified sensitive issues such as extractive and critical minerals and agriculture, and act upon them. While GAC has the mandate to address the transboundary impacts of domestic policies (OECD Council, 2024^[9]), the analytical frameworks tend to focus more on the domestic impacts of policies.

Canada's reporting on progress towards the SDGs (i.e. its Annual Report on the 2030 Agenda and its voluntary national review) was conducted in consultation with various Canadian stakeholders. Groups experiencing marginalisation and vulnerability, including Indigenous Peoples, are consulted throughout the international assistance policy-making cycle, and local partners are consulted in the definition of the climate finance policy. However, for domestic policies, such participation and feedback are more limited.

Recommendation for Development Co-operation Actors on Managing the Risk of Corruption [\[OECD/LEGAL/0431\]](#)

GAC is reviewing its tools for managing the risk of corruption, in particular its values and ethics code, and is developing a new code of conduct to better define rules and responsibilities including on conflict of interest. A new Grants and Contributions Fraud Management Unit was created in 2020 with the aim to manage fraud allegations, perform external forensic investigations, and provide training and guidance to programmes and recipient organisations.

Canada is one of the few DAC members to have developed training for staff beyond development co-operation. For instance, trade commissioners are trained on how to support Canadian companies to conduct business in a socially and environmentally responsible manner, with such training also including anti-corruption efforts and reporting requirements in line with globally recognised standards (OECD, 2022^[10]).

GAC has developed tools to assess corruption risks and conduct due diligence, mainly through the Fiduciary Risk Evaluation Tool and its focus on risks at the level of both organisations and projects. GAC also has the capacity to investigate suspected fraud and corruption. The ongoing grants and contributions initiatives aims to support a move from a risk-adverse to a risk-aware approach, enabling partnership with a more diverse range of actors.

In 2023, the OECD Working Group on Bribery acknowledged Canada's enhancement of its foreign bribery framework, introduction of a Remediation Agreement framework and updating of its prosecutorial

guidelines. The Working Group expressed concerns, however, regarding the pace of enforcement of the foreign bribery offence and called on Canada to enhance the effectiveness of investigation and prosecution of foreign bribery and related offences and to raise awareness among the public (OECD, 2023^[11]). Another challenge is the lack of protection of whistle blowers reporting on fraud, including corruption. While Canada has developed dedicated reporting channels, whistleblower protection and remedies under the Public Servants Disclosure Protection Act apply to officials only when reporting suspicions of fraud or corruption by Canadian public officials, and these would not cover reports or complaints concerning private sector actors.

Recommendation on Environmental Assessment of Development Assistance Projects and Programmes [\[OECD/LEGAL/0458\]](#)

Canada adheres to the OECD Council's Recommendation on Environmental Assessment of Development Assistance Projects and Programmes and has put in place a system to assess and mitigate potential environmental risks in its development co-operation. GAC oversees the policy framework and applies specific tools and procedures, including the Environmental Integration Process (EIP), which streamlines legal and policy requirements from the Impact Assessment Act and the Cabinet Directive on Strategic Environmental and Economic Assessment (Global Affairs Canada, 2024^[2]). Canada systematically screens its development initiatives through the EIP, which is intended to ensure that development co-operation causes no environmental harm and, where possible, yields environmental benefits. These environmental benefits include land use, water resources, air quality and biodiversity conservation, as outlined in the Environment Handbook for Community Development Initiatives (Global Affairs Canada, 2017^[12]). When the screening identifies moderate or high risks, projects must incorporate mitigation measures or refrain from funding in cases where these impacts cannot be effectively managed (Global Affairs Canada, 2022^[13]).

OECD DAC Declarations

OECD DAC Declaration on a new approach to align development co-operation with the goals of the Paris Agreement on Climate Change [\[OECD/LEGAL/0466\]](#)

Canada's Feminist International Assistance Policy puts environment and climate action at its core, aiming to integrate climate change and environmental sustainability across all its international assistance (Global Affairs Canada, 2017^[14]). GAC has made notable green commitments, including shifting towards a higher share of adaptation and gender-responsive climate finance. It has also piloted innovative approaches such as climate-resilient debt clauses that could be replicated. Ensuring a better balance between mitigation and adaptation as well as reinforcing dedicated support for more vulnerable contexts such as small island developing states and contexts experiencing fragility, could further support Canada in implementing its climate and environmental objectives and, thus, the DAC Declaration.

Canada is scaling up its ambition on climate finance and biodiversity, though its support of the environment and the Rio Conventions in 2022-23 made up a lower share of its ODA than the DAC member average.² This is due in part to the fact that Canada relies on the multilateral system to deliver part of its environment-related commitments. Canada's international climate finance programme has been doubled to CAD 5.3 billion over five years, with at least 40% allocated to adaptation and 20% to nature-based solutions and biodiversity co-benefits (Global Affairs Canada, 2024^[15]). In addition to working with Canadian and international civil society partners, Canada channels climate and biodiversity finance through multilateral organisations such as the Green Climate Fund and the Global Environment Facility (GEF) as well as through regional development banks. In 2023, Canada launched its first International Biodiversity Program (CAD 350 million over 2023-26) to help developing countries implement the Kunming-

Montreal Global Biodiversity Framework. Of that amount, CAD 200 million is for the new Global Biodiversity Framework Fund, which is managed by the GEF and has an aspirational goal of providing 20% of funding for programming led by Indigenous Peoples and local communities. In addition, Canada promotes blended finance in green sectors – for instance through initiatives such as the Canadian Climate Fund for the Private Sector with the Asian Development Bank and the Inter-American Development Bank, which provides concessional financing for renewable energy (Global Affairs Canada, 2024^[2]).

Despite such efforts, Canada has room to provide more support on environment-related issues to be more aligned with DAC practice. For instance, Canada could continue to strengthen its monitoring and evaluation efforts. Currently, these processes are guided by GAC’s corporate-level Action Area Results Framework, under which projects report annually on climate and environmental outcomes. An upcoming environment and climate action evaluation and a recently concluded joint evaluation with Environment and Climate Change Canada seek to reinforce learning and accountability on climate-related programming (Global Affairs Canada, 2024^[2]).

Canada’s low-carbon and climate-resilient development paths are in line with the Paris Agreement goals. Canada’s development policy statements, including the Speech from the Throne 2021 and the 2024 Federal Budget, underline the commitment to advancing low-carbon, climate-resilient development and phasing out coal (Global Affairs Canada, 2024^[2]). To transition away from coal, Canada acknowledges that certain lower-emission fossil fuels such as natural gas may, in specific circumstances, serve as temporary alternatives (Global Affairs Canada, 2024^[2]). While this approach is meant to safeguard energy access in partner countries, clear criteria and timelines for phasing out all fossil fuel support could further strengthen Canada’s implementation of the DAC Declaration.

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Notes

¹ The framework incorporates criteria such as prosperity, health, environment, social cohesion and good governance into federal government budgeting and policy development.

² According to the OECD Creditor Reporting System (2025 data), Canada committed 25.3% of its total bilateral allocable aid (USD 1.4 billion) in support of the environment and the Rio Conventions in 2022-23 compared with the DAC average of 39% and representing a decline from a 31.3% in 2020-21. Specifically, 15.7% of Canada's screened bilateral allocable aid focused on environmental issues as a principal objective compared with the DAC average of 9.5%; 18.4% of total bilateral allocable aid (USD 1 billion) focused on climate change overall, up from 15.6% in 2020-21 when the DAC average was 35%. Canada had a greater focus on mitigation (14.6%) than on adaptation (10.6%) in 2022-23. In 2020-21, 6% of its screened bilateral allocable aid (USD 268.4 million) focused on biodiversity overall, up from 3.6% in 2020-21 when the DAC average was 7.4%.

Annex C. Organisations consulted during the peer review

Organisations in Canada and international headquarters

1. AidWatch Canada
2. CAIDP
3. Canadian Partnership for Women and Children's Health (CanWaCH)
4. CARE Canada
5. Centre d'étude et de coopération internationale (CECI)
6. Cooperation Canada
7. Développement International Desjardins
8. Equality Fund
9. Grand Challenges Canada
10. Humanitarian Coalition
11. Humanitarian Response Network
12. Inter-Council Network
13. Oxfam Québec
14. Plan International Canada
15. Save the Children Canada
16. World Vision Canada
17. Aga Khan Foundation
18. Alinea
19. Blue Orchard
20. Convergence Canada
21. Cordiant Capital Inc.
22. GuarantCo – Private Infrastructure Development Group (PIDC)
23. LNM Indigenous Consulting
24. WUSC (World University Service of Canada)
25. Acadia University
26. Center for Global Development
27. Norman Paterson School of International Affairs
28. Overseas Development International
29. University of Guelph
30. University of Ottawa
31. University of Toronto

- 32. FAO
- 33. Global Environmental Facility (GEF)
- 34. Global Fund
- 35. Green Climate Fund
- 36. OCHA
- 37. UNDP
- 38. UNFPA
- 39. UNHCR
- 40. UNICEF
- 41. World Bank
- 42. WFP
- 43. WHO

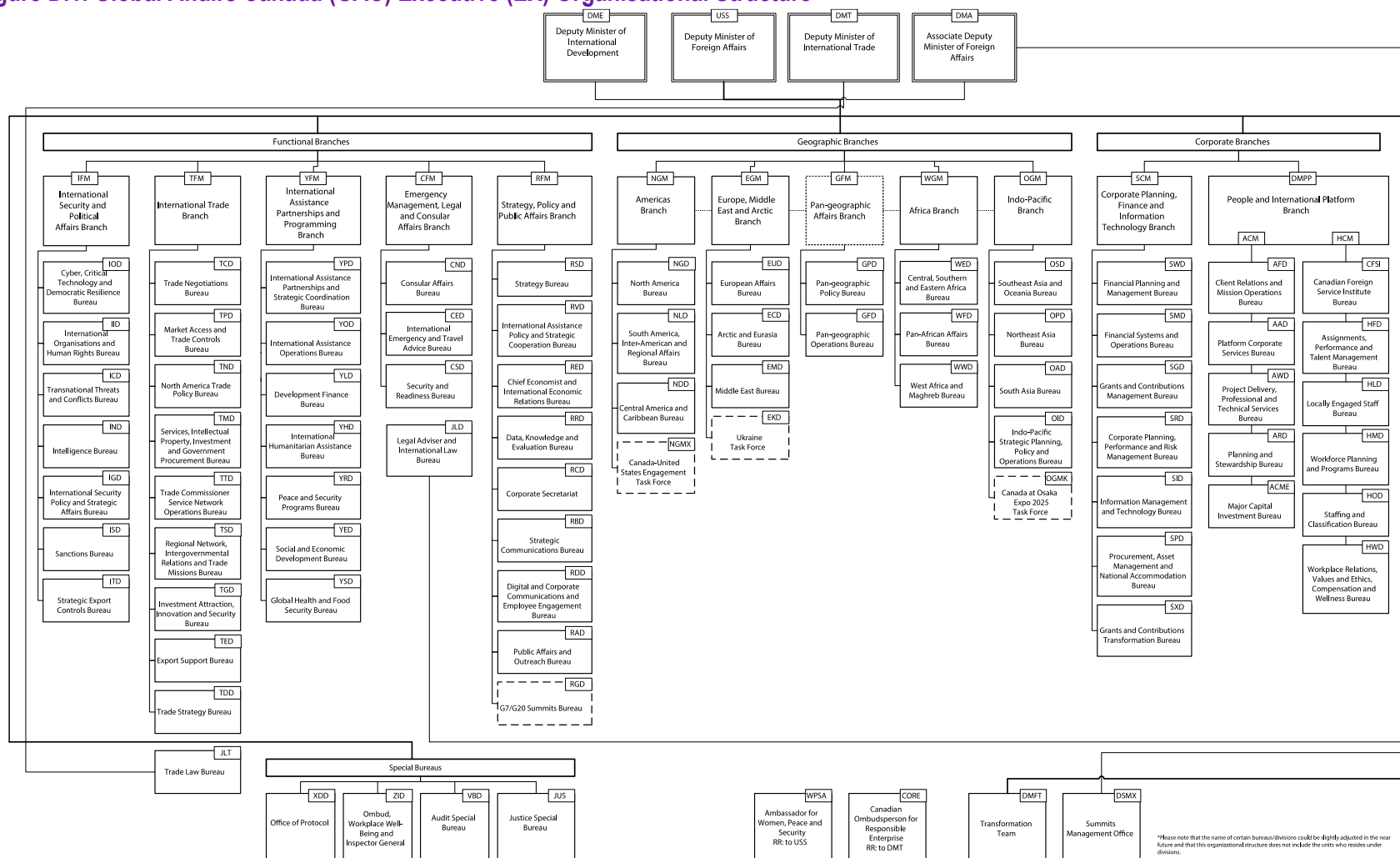
Organisations consulted in Colombia and Nigeria

- 44. Agencia Presidencial de Cooperación Internacional de Colombia
- 45. Banco de Occidente
- 46. National Advisory Board for Impact Investment
- 47. Social Venture Connexion
- 48. SOCODEVI
- 49. Acumen Nigeria
- 50. Africa Enterprise Challenge Fund
- 51. FAO Nigeria
- 52. OCHA in Nigeria
- 53. UN Women Nigeria
- 54. UNFPA Nigeria
- 55. UNICEF Nigeria
- 56. World Bank Nigeria
- 57. WFP Nigeria
- 58. Nigeria Federal Ministry of Budget and Economic Planning
- 59. Nigeria Federal Ministry of Health and Social Welfare
- 60. Nigeria Federal Ministry of Humanitarian Affairs and Poverty Reduction
- 61. Nigeria Federal Ministry of Women Affairs
- 62. Action Against Hunger
- 63. ActionAid Nigeria
- 64. Clinton Health Access Initiative
- 65. ICRC Nigeria
- 66. Plan International
- 67. European Union in Nigeria
- 68. FCDO in Nigeria
- 69. GIZ in Nigeria

- 70. JICA in Nigeria
- 71. USAID in Nigeria
- 72. 100 Women Lobby Group
- 73. Advocacy for Women with Disability Initiative
- 74. Child Care and Adult Protection Initiative
- 75. CONCED (Community Needs Care Initiative)
- 76. EINGA Ray of Hope Foundation
- 77. FIDA Network FCT
- 78. Smallholder Women Farmers organisation in Nigeria
- 79. WACOL Enugu (Women Aid Collective)
- 80. Women in Politics Forum
- 81. Women Radio

Annex D. Global Affairs Canada Organigramme

Figure D.1. Global Affairs Canada (GAC) Executive (EX) Organisational Structure



Source: Global Affairs Canada, <https://www.international.gc.ca/transparency-transparence/briefing-documents-information/briefing-books-cahiers-breffage/2024-07-dma.aspx?lang=eng>.

OECD Development Co-operation Peer Reviews: Canada 2025

The OECD's Development Assistance Committee (DAC) conducts peer reviews of individual members once every five to six years. Reviews seek to improve the quality and effectiveness of members' development co-operation, highlighting good practices and recommending improvements.

How can Canada's integrated approach to development co-operation evolve to meet its commitments to development effectiveness, gender equality and innovative finance? This is the central question the 2025 DAC peer review of Canada aims to answer. A champion of gender equality, Canada is recognised for the quality of its support to local women's rights organisations. While Canada is committed to development effectiveness, the review emphasises the need to better incorporate local perspectives. It also examines options for maintaining development expertise and strengthening policy coherence, drawing on the unique strengths of a Ministry that combines trade, development and foreign affairs. Additionally, it offers actionable recommendations to accelerate the mobilisation of private finance.



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