

# The impact of COVID-19 on development assistance

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## Abstract

This article analyzes the impact of the COVID-19 pandemic on foreign aid. Using examples from Canadian foreign aid, it argues that, despite the terrible toll it is exacting, the crisis has accelerated some significant positive pre-existing trends, both by destabilizing the perception of aid as flowing essentially from the Global North to Global South and by reinforcing awareness of the importance of joint efforts for global public goods and humanitarian assistance, as well as debt relief. However, it has also reinforced potentially harmful self-interested justifications for aid, which could align assistance more with donors' priorities than the needs of the poor. An important trend reversal is the renewed emphasis on well-being. Two other crucial trends remain unclear—the COVID-19 pandemic's impact on multilateral approaches and on aid flows. How donors respond to the COVID-19 pandemic and its aftermath over the next few years will depend on their political will, and will profoundly shape the future of development co-operation.

## Keywords

Foreign aid, humanitarian assistance, COVID-19, poverty, Canada

The COVID-19 pandemic caused, in early 2020, the most serious global economic and health crisis in decades, if not a century. Around the world, hundreds of

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millions of people lost their jobs, while healthcare systems struggled and often failed to cope with the rapid rise in serious cases. Governments in the Global North ran unprecedented budget deficits to soften the blow to their populations. For the most part, their counterparts in the Global South, however, lacked similar access to financial resources, and the pandemic constituted a greater threat to livelihoods and well-being in low-income and middle-income countries.

This article asks what the impact of the COVID-19 pandemic has been on foreign aid. It finds that the COVID-19 pandemic has greatly increased the need for foreign aid because the devastating effects of the COVID-19 pandemic have both caused development indicators to worsen rapidly and dramatically decreased other sources of development finance, such as investment and remittances. Using illustrations from Canadian foreign aid, this article argues that, despite the terrible toll it is exacting, the COVID-19 crisis has accelerated some significant positive pre-existing trends, both by destabilizing the perception of aid as flowing essentially from the Global North to the Global South and by reinforcing awareness of the importance of joint efforts for global public goods and humanitarian assistance, as well as debt relief. However, the crisis has also reinforced potentially harmful self-interested justifications for aid, which could align assistance more with donors' priorities than the needs of the poor. An important—and potentially positive—trend reversal is the renewed emphasis on well-being, as opposed to investments in growth, for which the probability of trickling down to the poor is uncertain. Two other trends remain unclear—the COVID-19 pandemic's impact on multilateral approaches and on aid flows. Those two factors are crucial, as the development and equitable delivery of COVID-19 treatments and vaccines, as well as alleviating the broader impact of the COVID-19 crisis and promoting a sustainable recovery, depend on working more collaboratively and mobilizing significantly more resources. How donors respond to the COVID-19 pandemic and its aftermath over the next few years will thus profoundly shape the future of development co-operation. If national leaders possess sufficient political will, it could lead to important improvements in development assistance.

To make that argument, this paper draws on a variety of documents and statements, including from international organizations such as the United Nations (UN), the Organisation for Economic Co-operation and Development (OECD), the Canadian government, nongovernmental development organizations, and the media, as well as some academic publications from the first eight months of the global COVID-19 pandemic. First, it outlines the rapidly growing need for development assistance due to the COVID-19 crisis. Second, it examines how the COVID-19 pandemic has reversed some past trends but, overall, mainly accelerated existing ones, with some key effects not yet clear. Third, for some country-specific illustrations of the overall argument, it examines the case of Canadian international assistance. The conclusion summarizes the argument and discusses its importance, including for reshaping the development landscape.

## Rapidly increased need for development assistance

During the decades that preceded the COVID-19 pandemic, countries in the Global South decreasingly relied on foreign aid, as other sources of development financing grew, including domestic resources, commercial loans, foreign direct investment, trade, and remittances from nationals working abroad. Moreover, development indicators showed overall improvements in the socio-economic situation around the world, including falling rates of extreme poverty, lower maternal and infant mortality rates, and longer life expectancies.<sup>1</sup>

Although, to a certain extent, international inequality had been decreasing (low-income and especially middle-income countries were growing faster than upper-income countries), *domestic* inequality had been rising in most countries around the world. In both the Global North and the Global South, the fruits of globalization were not being evenly distributed; already wealthy individuals were benefiting disproportionately. Unlike most development indicators, income inequality in most developing countries was worsening.<sup>2</sup>

In 2020, what was initially a health crisis quickly became a “development crisis.”<sup>3</sup> Its effects jeopardized years and perhaps even decades worth of progress in the Global South.<sup>4</sup> COVID-19 affected the elites first, as they were the ones who initially contracted the disease through international travel or close contact with travellers. However, the disease soon spread to the poor. Most of the widely touted means to avoid infection—frequent handwashing, physical distancing, staying home—are least available to the world’s poorest inhabitants. Other than wearing masks, preventive measures are difficult to take without access to running water (let alone hand sanitizer) and sufficient room to keep a distance from others and isolate sick members of one’s household, especially in high-density urban areas. Refugees and migrant workers are particularly vulnerable. Access and resources devoted to quality medical care, already scarce for many of the world’s poor, became more difficult, not just for those sick with COVID-19, but those needing other forms of medical attention, including children’s vaccinations and treatments for human immunodeficiency viruses/acquired immunodeficiency syndrome (HIV/AIDS) and tuberculosis. Health indicators will thus deteriorate because of not only the direct impact of COVID-19 itself but also multiple indirect effects of the crisis.

Preventative lockdown measures also disproportionately hurt people who are living in poverty and jeopardize their livelihoods. Lockdowns also increase the

1. Rory Horner and David Hulme, “From international to global development: New geographies of 21st century development,” *Development and Change* 50, no. 2 (2019): 347–378.
2. Branko Milanovic, *Global Inequality: A New Approach for the Age of Globalization* (Cambridge, MA: Harvard University Press, 2016); and Horner and Hulme, “From international to global development.”
3. José Antonio Sanahuja, “COVID-19 en América Latina: La economía política de las respuestas gubernamentales,” *Pensamiento Iberoamericano* 3, no. 1 (2020): 22–33 (author’s translation).
4. “Developing countries and development co-operation: What is at stake?” Paris: Organisation for Economic Co-operation and Development, 28 April 2020, 2, <http://www.oecd.org/coronavirus/policy-responses/developing-countries-and-development-co-operation-what-is-at-stake-50e97915/> (accessed 14 July 2020).

vulnerability of already marginalized people, including women and lesbian, gay, bisexual, transgender, and intersex people, who are increasingly exposed to violence.<sup>5</sup> For most low-income people, working from home is simply not possible, and, in the absence of savings to draw on, especially for those working in the informal sector, losing a day's wages often means that the family will not be able to afford enough food. In the short term, the COVID-19 pandemic will push 88–115 million people into extreme poverty (defined as having a daily income below US \$1.90) in 2020 alone and up to 150 million people in 2021, according to World Bank estimates. Even after the health crisis wanes, its impact on poverty will endure over the medium term: between 831 million and 1.16 billion additional people will live in extreme poverty by 2030 as a consequence of the COVID-19 pandemic.<sup>6</sup>

Simultaneously, at the macro level, states in the Global South faced a reduction in access to resources that could finance medical care and social and economic support for citizens in need. A range of sources of development financing suddenly dropped, as domestic revenues plummeted, investment capital flowed out of developing countries, international trade slowed, and remittances shrunk. For instance, according to OECD projections, external private financing to developing countries in 2020 could drop by 45 percent compared to 2019, representing a reduction of US\$700 billion.<sup>7</sup> One study estimates that to enable sub-Saharan Africa to recover, official development assistance will need to double, representing an extra US\$40–50 billion over the next few years.<sup>8</sup> Just when more funding is needed, fewer alternatives to foreign aid are available. The place of aid in development finance, which had been shrinking, has become central once again.

## Changes in development assistance

The COVID-19 pandemic has caused some new trends in development assistance to emerge, while accelerating a few pre-existing ones. In a couple of additional areas, the impact is not yet clear. This section examines, in turn, each of these tendencies.

### *The emergence of new trends*

The most immediately visible change to foreign aid after the COVID-19 pandemic began to spread around the world in early 2020 was the sudden increased emphasis

5. Nadjie Al-Ali, "Covid-19 and feminism in the Global South: Challenges, initiatives and dilemmas," *European Journal of Women's Studies* 27, no. 4 (2020): 333–347.
6. World Bank, *Reversals of Fortune: Poverty and Shared Prosperity 2020* (Washington, DC: World Bank, 2020), 37.
7. "The impact of the coronavirus (COVID-19) crisis on development finance," Paris: Organisation for Economic Co-operation and Development, 24 June 2020, <http://www.oecd.org/coronavirus/policy-responses/the-impact-of-the-coronavirus-covid-19-crisis-on-development-finance-9de00b3b/> (accessed 14 July 2020).
8. Christopher Adam, Mark Henstridge, and Stevan Lee, "After the lockdown: Macroeconomic adjustment to the COVID-19 pandemic in sub-Saharan Africa," *Oxford Review of Economic Policy* 36, no. S1 (2020): S338–S358.

on the health sector, in particular funding for COVID-19 vaccine research. Donors also increased their focus on social protection and meeting a broad range of immediate needs beyond typical emergency humanitarian assistance. Previously, for over a decade, they had been increasingly emphasizing longer-term economic growth as a means of poverty reduction, including by increasing spending on infrastructure.

Although this renewed attention to health and human welfare is a positive development, it raises two important concerns in the absence of clear commitments to increasing overall aid budgets. First, the reallocation of aid funds to health from other sectors requires cuts to non-health programming, both existing and planned. As a result, other areas of development are put on hold or potentially jeopardized by the changing priorities. Second, to the extent that funding is reallocated from within health sector budgets, services unrelated to COVID-19 will be impeded, causing increased suffering and mortality.

### *The acceleration of existing trends*

Other than the increased attention to health, the COVID-19 crisis appeared mainly to accelerate development assistance trends already in place. In particular, it further increased emphasis on short-term humanitarian assistance, debt relief, and global public goods, three areas that this subsection examines in turn.

First, the COVID-19 crisis created an urgent need to provide care for people directly or indirectly affected by the virus and the related preventive measures. As mentioned above, in addition to the health crisis *per se*, the lockdowns in particular eliminated the livelihoods of countless people who were already struggling to get by, creating the need for immediate assistance. Donor spending quickly devoted additional resources towards this sector. Although for a new reason, this shift is accelerating the trend whereby the proportion of OECD donors' official development assistance committed to humanitarian assistance doubled from 5–6 percent in 2000–2003 to 11–13 percent in 2014–2018.<sup>9</sup> The reasons for this increased donor emphasis on emergency aid are multiple, hard to prove, and vary across donors. However, the main cause is probably donor countries' increasing desire for visibility. Another important reason is the increase in hardship from phenomena related to climate change, especially more frequent and severe droughts, cyclones, and flooding. Pandemics of zoonotic (animal) origin, such as COVID-19, can also be linked to environmental degradation and climate change.

Second, the COVID-19 crisis increased the need for debt relief, a need that, along with concern about a new debt crisis, preceded the COVID-19 pandemic. A growth in borrowing in the late 2010s, from a range of traditional sources but also from the People's Republic of China (PRC), led to increased debt-to-gross national income (GNI) ratios. The need for debt relief was thus becoming more apparent,

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9. Author's calculations, based on data extracted from OECD, Query Wizard for International Development Statistics, <http://stats.oecd.org/qwids/> (accessed 11 July 2020).

and the loss of revenues in 2020 meant that many developing countries would no longer be able to service their debt. In April 2020, G20 countries (Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Republic of Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, United Kingdom, United States, and the European Union) declared a moratorium on debt repayments from low-income countries, worth about US\$20 billion, initially until the end of the year and later extended to mid-2021.<sup>10</sup> The International Monetary Fund followed suit, with some minor rescheduling of repayments by two dozen countries. However, none of these measures forgave any debts, nor did they apply to private sector lenders. They did not prevent Zambia from defaulting on a loan in November 2020. Nonetheless, given the extra international attention to debt, this initiative is likely to snowball into more robust action by a wider range of actors, leading to actual debt forgiveness. If it does not, more defaults may occur in 2021 and 2022.

A third trend beginning before and exacerbated by the COVID-19 crisis is an increased donor attention to “global public goods.” Rather than transferring resources from the Global North to Global South in ways that would benefit developing countries, donors were placing greater emphasis on measures that would be of importance to the world as a whole. The best example of this trend is the growing recognition of the crucial importance of fighting climate change, especially for many countries in the Global South that are most vulnerable to its effects, even if the greater awareness is not followed by sufficient action. In early 2020, the development of a treatment for and especially a vaccine against COVID-19 became an urgent, top-priority global public good.<sup>11</sup>

This focus on global public goods, highlighted by the response to COVID-19, is also destabilizing traditional North–South aid paradigms. Such paradigms were already challenged by the growth of South–South co-operation, including from countries such as the PRC, India, Brazil, and South Africa. COVID-19 pandemic-related assistance further underlined that aid does not just flow from the Global North to the Global South. Some new bilateral relationships emerged, for instance when the United Arab Emirates sent 5 metric tonnes of medical supplies to Peru to help the latter fight the COVID-19 pandemic.<sup>12</sup>

The most prominent Southern provider of assistance remained the PRC. After it got the outbreak under control in Wuhan, the capital of Hubei Province, it began

10. Andrew England, Jonathan Wheatley, and James Politi, “G20 agrees debt relief for low income nations,” *Financial Times*, 15 April 2020, <https://www.ft.com/content/5f296d54-d29e-4e87-ae7d-95ca6c0598d5> (accessed 11 July 2020); and Leigh Thomas, Tetsushi Kajimoto, and Andrea Shalal, “G20 strikes historic debt pact to help poorer states hit by COVID,” Reuters, 13 November 2020, <https://uk.reuters.com/article/> (accessed 21 November 2020).
11. Jason W. Nickerson and Matthew Herder, “COVID-19 vaccines as global public goods,” in Colleen M. Flood, Vanessa MacDonnell, Jane Philpott, et al. eds., *Vulnerable: The Law, Policy and Ethics of COVID-19* (Ottawa: University of Ottawa Press, 2020), 591–600.
12. “UAE sends medical aid to Lima, Peru in fight against COVID-19,” ReliefWeb, 2 July 2020, <https://reliefweb.int/report/peru/uae-sends-medical-aid-lima-peru-fight-against-covid-19> (accessed 13 July 2020).

to aid other affected countries. By the end of March 2020, it “had provided 120 countries and four international organisations with surgical masks, N95 respirators, protective suits, nucleic acid test kits, ventilators, and other assistance, including loans.”<sup>13</sup> Chinese private sector actors and philanthropists, such as Alibaba and Jack Ma, also made significant additional contributions. In these cases, assistance went to countries in the Global North as well. Cuba also sent medical assistance to Southern and Northern countries, further challenging the traditional donor–recipient country categories.

Moreover, the COVID-19 pandemic-related travel restrictions forced donors to rely more on local staff and organizations, thereby boosting the growing movement for the decentering of the North and the “localization” of aid. COVID-19 also highlighted the possibility of reverse knowledge transfers: in responding to the COVID-19 pandemic, Northern countries had important lessons to learn from Southern countries such as Vietnam and Mauritius, as well as the Indian state of Kerala, even if the extent to which that learning actually took place is not clear.

For over a decade, traditional donors in the Global North have increasingly justified their aid in self-interested terms. Although not a new phenomenon, the return of openly self-interested justifications after the 2008 financial crisis and the rise of right-wing governments in several OECD countries contrasted with the more altruistic language that generally followed the adoption of the Millennium Development Goals in 2000.<sup>14</sup> COVID-19 gave an additional impetus for self-interested arguments, often couched in the language of mutual benefit. The global COVID-19 pandemic provided donors with a powerful rhetorical tool to present promoting global health as essential for donor countries’ own domestic security—an echo of earlier justifications of aid as a tool to fight terrorism.<sup>15</sup>

Enlightened self-interest can be a strong justification for development assistance in the long run, one that is quite compatible with altruistic goals. However, focusing too much on COVID-19’s short-term threat to donor countries can reinforce instrumentalist views of foreign aid and mobilize support that will evaporate after the threat has abated. When the COVID-19 pandemic subsides, the health sector could retain its importance in the minds of donors, but the risk is that, having reinforced the sense that aid “helps us,” donors will be less keen to support sectors or regions in ways that bring no clear benefit to donor countries. Despite donor countries’ rhetoric on the importance of global solidarity and joint efforts, the quasi-totality of their efforts to combat COVID-19 and mitigate its effects remain at the domestic level.

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13. Anthea Mulakala and Hongbo Ji, “COVID-19 and China’s soft power ambitions,” *Devpolicy Blog*, 24 April 2020, <https://devpolicy.org/covid-19-and-chinas-soft-power-ambitions-20200424-2/> (accessed 12 July 2020).

14. Emma Mawdsley, “The ‘Southernisation’ of development?” *Asia Pacific Viewpoint* 59, no. 2 (2018): 173–185.

15. Stephen Brown and Jörn Grävingholt, eds., *The Securitization of Foreign Aid* (Basingstoke and New York: Palgrave Macmillan, 2016).

## *Ambiguous trends*

In two areas, the evidence is not yet sufficient for clear trends to emerge: the impact on multilateral approaches and the total flows of development assistance. In the former case, the global COVID-19 pandemic is a clear instance of a crisis that requires a joint response, which would require reversing the “thinning of multilateralism” that characterized the late 2010s.<sup>16</sup> Most countries have also worked closely with the World Health Organization (WHO), including sharing data and findings. One important exception stands out: the UN agency’s largest contributor, the United States, seeking to externalize responsibility for its poor domestic response, repeatedly blamed the organization for covering up Chinese misdeeds. It gave notice in July 2020 that it would withdraw, a decision that Joe Biden will likely reverse after being sworn in as the new United States president.

In many ways, donor countries and multilateral institutions have responded jointly, including multiple instances of pooled funding via multilateral bodies. For instance, Gavi, the Vaccine Alliance held a virtual replenishment conference in June 2020 at which bilateral donors and private foundations pledged US\$8.8 billion, which was unexpectedly US\$1.4 billion more than it had requested.<sup>17</sup> Gavi is also leading a multilateral effort, known as COVAX, to ensure equitable access to COVID-19 vaccines around the world. Most countries have joined the initiative, with the notable exceptions of Russia and the United States. However, rich countries’ contributions have not lived up to the multilateral ideals they espoused. As of November 2020, the COVAX Facility had received pledges worth only US\$2 billion out of the US\$7 billion it requires for 2020–2021.<sup>18</sup> Instead, wealthy countries individually signed contracts with pharmaceutical companies that would provide them with the vast majority of doses produced in 2021, forcing most countries in the Global South to wait until 2022 to have widespread access to COVID-19 vaccines.<sup>19</sup> As such, they demonstrated a high degree of “vaccine nationalism,” rather than a more equitable or ethical approach.<sup>20</sup>

The other ambiguous impact is on total aid flows. Although donors have made numerous new announcements, many involving huge sums of money, it is not clear

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16. Artemy Izmetiev and Stephan Klingebiel, “International (development) cooperation in a post-COVID-19 world: A new way of interaction or super-accelerator?” *Devpolicy Blog*, 1 May 2020, <https://devpolicy.org/international-development-cooperation-in-a-post-covid-19-world-a-new-way-of-interaction-or-super-accelerator-20200501-1/> (accessed 12 July 2020).

17. William Worley, “Gavi smashes replenishment target at virtual summit,” *Devex*, 4 June 2020, <https://www.devex.com/news/gavi-smashes-replenishment-target-at-virtual-summit-97409> (accessed 14 July 2020).

18. World Health Organization, “Over US\$2 billion raised to support equitable access to COVID vaccines with additional US\$5 billion needed in 2021,” 13 November 2020, <https://www.who.int/news/item/13-11-2020-over-us-2-billion-raised-to-support-equitable-access-to-covid-vaccines-with-additional-us-5-billion-needed-in-2021> (accessed 21 November 2020).

19. Associated Press, “Europe, Gates pledge funds to get vaccines for poor nations,” *CTV News*, 12 November 2020, <https://www.ctvnews.ca/health/coronavirus/europe-gates-pledge-funds-to-get-vaccines-for-poor-nations-1.5186399> (accessed 21 November 2020).

20. Ezekiel J. Emanuel, Govind Persad, Allen Buchanan, et al., “An ethical framework for global vaccine allocation,” *Science* 369, no. 6509 (2020): 1309–1312.



to what extent—if any—they represent new money, that is, additions to existing aid budgets rather than reallocations or the assigning of unallocated funds. The need for aid is countercyclical: when the global economy is going well, aid is less pressing. However, in times of economic crisis, needs are greater, but donor countries may be less willing to spend precious resources abroad. The joint economic and health crisis caused by COVID-19 is leading to an unprecedented spike in the need for development assistance but also record budget deficits in donor countries. It remains to be seen if donors tighten or loosen their purse strings. Countries that budget their aid as a percentage of their GNI may cut their allocations in absolute terms without lowering that ratio. One such country, the United Kingdom, announced in July 2020 that it would cut its aid spending by £2.9 billion in 2020, or about 19 percent, which is actually a higher proportion than the expected drop in GNI.<sup>21</sup> Countries that had previously planned increases may use their budget deficits as a justification for postponing or cancelling them. It is also quite possible that donors will underspend their existing 2020 aid allocations, as the crisis slowed down or interrupted many existing projects and program activities.

There are few, if any, signs that donor countries will increase their total aid budgets because of COVID-19.<sup>22</sup> Rather, OECD donors collectively stated that they would “strive to protect ODA [Official Development Assistance] budgets.”<sup>23</sup> The choice of words (“strive to”) reveals something less than an actual commitment not to cut aid. Preliminary data suggest that the bilateral donors committed US\$7 billion less in the first five months of 2020 than in the same period the previous year, representing a drop of about one-third.<sup>24</sup> Moreover, the hundreds of millions of dollars they are (re)allocating to vaccine research might not, under OECD rules, be able to count as official development assistance if the goal is to benefit the Global North as much as the Global South.<sup>25</sup> As a result, there are reasons to be pessimistic about both trends I have described as “ambiguous,” especially regarding a potential fall in foreign aid at a time of much greater need.

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21. “UK aid cuts: What’s being prioritised and what we still need to know,” Bond, 27 July 2020, <https://www.bond.org.uk/news/2020/07/uk-aid-cuts-whats-being-prioritised-and-what-we-still-need-to-know> (accessed 16 September 2020).
  22. Yasmin Ahmad, Emily Bosch, Eleanor Carey, et al., “Six decades of ODA: Insights and outlook in the COVID-19 crisis,” *OECD Development Co-operation Profiles 2020*, Paris: Organisation for Economic Co-operation and Development, 2020, 15, <https://www.oecd-ilibrary.org/sites/5e331623-en/index.html?itemId=/content/component/5e331623-en> (accessed 14 July 2020).
  23. Organisation for Economic Co-operation and Development (OECD), “COVID-19 Global Pandemic: Joint Statement by the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD),” OECD, 9 April 2020, 2.
  24. “How are aid budgets changing due to the Covid-19 crisis?” Development Initiatives, July 2020, 2 and 8, <https://devinit.org/resources/how-are-aid-budgets-changing-due-covid-19-crisis/> (accessed 14 July 2020).
  25. William Worley, “Coronavirus vaccine research doesn’t count as ODA, says OECD,” Devex, 29 May 2020, <https://www.devex.com/news/coronavirus-vaccine-research-doesn-t-count-as-oda-says-oecd-97359> (accessed 14 July 2020).

## Canadian development assistance

This section uses Canadian development assistance to illustrate the trends outlined above. It makes no claims that Canada is a paradigmatic case, especially since observations are quite preliminary. It is nonetheless a useful exercise in generating empirical data, assessing their fit with broader generalizations and exploring the impact of COVID-19 on Canadian aid.<sup>26</sup>

In March 2020, soon after the country started to put into place domestic measures to combat the virus's spread, the Canadian government made the first of a series of COVID-19 pandemic-related foreign aid announcements. They began with a C\$52 million commitment for a range of partners, including the WHO. In April, the government promised another C\$110 million, most of which would be distributed through UN agencies, including for those dedicated to refugees, food and children, as well as C\$40 million for vaccine development. According to media reports, the government stated that these funds constituted new financing, that is to say increases in the aid envelope, but outside observers claim that the funds come from "previously unallocated pools" in the existing budget.<sup>27</sup> Lacking an official budget update, it is not possible to verify this claim.

These amounts were relatively small, compared to the C\$6 billion annual aid budget and the hundreds of billions of dollars the Canadian government was rolling out to support Canadian individuals and businesses. Nonetheless, a front-runner in (and later winner of) the opposition Conservative Party's leadership race, Erin O'Toole, objected, stating on Twitter that "Foreign aid can wait. Right now, the Trudeau government should prioritize Canadians."<sup>28</sup> That argument illustrates an "us first" approach that contradicts visions of enlightened self-interest, let alone altruism and compassion. Although many Canadians are skeptical of foreign aid and may support a decrease in aid spending, O'Toole's objection to COVID-related development assistance did not seem to resonate strongly with Canadians. If it did, there was little sign of it in the popular media.

The Liberal government reacted by strengthening its case for international assistance on COVID-19. For example, Minister of International Development Karina Gould published an opinion piece that emphasized global interconnectedness,

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26. For a more in-depth study of the Canadian case, see Stephen Brown, "Going viral: Development assistance under the Trudeau minority government," in David Carment and Richard Nimjean, eds., *Canada Among Nations 2020: Political Turmoil in a Tumultuous World* (New York: Palgrave, 2021, forthcoming). On the alignment of Canada's COVID response with its Feminist International Assistance Policy, see Kristina Lunz, Nina Bernarding, Anna Provan, et al., "A feminist foreign policy response to COVID-19," Centre for Feminist Foreign Policy, Berlin, 2020, [https://static1.squarespace.com/static/57cd7cd9d482e9784e4ccc34/t/5f034a694227530712b1b4f6/1594051182529/Policy+Brief\\_A+Feminist+Foreign+Policy+Response+to+COVID-19.pdf](https://static1.squarespace.com/static/57cd7cd9d482e9784e4ccc34/t/5f034a694227530712b1b4f6/1594051182529/Policy+Brief_A+Feminist+Foreign+Policy+Response+to+COVID-19.pdf) (accessed 22 November 2020).
27. Mike Blanchfield, "Gould, aid groups discuss helping world's poorest with \$100M funding boost," *National Post*, 6 April 2020, <https://nationalpost.com/> (accessed 14 July 2020); and Gavin Charles and Shannon Kindornay, "Canada should pursue more ambitious international aid plan," *Policy Options*, 8 May 2020, <https://policyoptions.irpp.org/> (accessed 14 July 2020).
28. Quoted in Elise von Scheel, "Canada's plan for COVID-19 international aid just beginning, minister says," *CBC News*, 8 April 2020, <https://www.cbc.ca/> (accessed 14 July 2020).

arguing that “we will only be safe until [sic] everyone, everywhere on the planet is safe.”<sup>29</sup> She also stated, “The first thing we can do is the most obvious: build stronger health systems in vulnerable countries,” adding “Our health here depends on the health of the other ‘over there,’” an example of enlightened self-interest.<sup>30</sup>

The government subsequently continued to announce new COVID-19 pandemic-related commitments, including C\$180 million in June “to address the immediate humanitarian and developmental impacts of the pandemic.”<sup>31</sup> At the same time, it pledged C\$120 million “to accelerate the development, production and equitable distribution of new COVID-19 diagnostics, therapeutics and vaccines.” As part of the announcement, Gould argued that “COVID-19 is a threat that does not recognize borders and will only be overcome through coordinated action. Our global response is part of our domestic response: we will not be safe from COVID-19 in Canada until everyone, everywhere is.”<sup>32</sup> Prime Minister Justin Trudeau simultaneously affirmed the government’s commitment to “working with countries around the world on how we can pool procurement efforts to make sure all countries have access to the vaccine.”<sup>33</sup> COVID-related aid announcements subsequently tapered off, potentially linked to Canada’s failed bid to be elected to the UN Security Council.

Canada, while touting multilateral approaches, succumbed to virus nationalism. For example, Minister of Public Services and Procurement Anita Anand promised that the government would ensure that “Canadians are at the front of the line when a vaccine becomes available.”<sup>34</sup> In September 2020, after spending undisclosed sums to secure access to enough doses to potentially vaccinate the entire Canadian population five times over, Trudeau announced a modest C\$220 million contribution to COVAX to help make vaccines available to poorer countries.<sup>35</sup>

These few quotations illustrate how the Canadian government’s announcements and justifications aligned with the global trends of emphasizing health, humanitarian assistance and short-term well-being, multilateralism, global public goods, and enlightened self-interest but also illustrated more immediate self-interest.

29. Karina Gould, “Rebuilding a more resilient planet,” Thomson Reuters Foundation News, 1 May 2020, <http://news.trust.org/item/20200501102506-sxegy/> (accessed 14 July 2020).

30. Ibid.

31. Mike Blanchfield, “Canada pledges \$300 million to address humanitarian concerns of COVID-19 abroad,” CBC News, 27 June 2020, <https://www.cbc.ca/5629974> (accessed 15 July 2020).

32. Global Affairs Canada, “Canada Announces Support for Equitable Access to New COVID-19 Medical Solutions,” news release, Ottawa, 27 June 2020, <https://www.canada.ca/en/global-affairs/news/2020/06/canada-announces-support-for-equitable-access-to-new-covid-19-medical-solutions.html> (accessed 14 July 2020).

33. Quoted in Mike Blanchfield, “Canada pledges \$300 million to address humanitarian concerns of COVID-19 abroad.”

34. Quoted in Ryan Patrick Jones and Kathleen Harris, “Feds sign agreements with Pfizer, Moderna for millions of doses of COVID-19 vaccines,” CBC News, 5 August 2020, <https://www.cbc.ca/> (accessed 16 September 2020).

35. Canada. Prime Minister’s Office, “New Agreements to Secure Additional Vaccine Candidates for COVID-19,” News Release, Ottawa, 25 September 2020, <https://pm.gc.ca/en/news/news-releases/2020/09/25/new-agreements-secure-additional-vaccine-candidates-covid-19> (accessed 27 September 2020).

Consistent with the global uncertainty on aid flows, the COVID-19 pandemic's impact on the Canadian aid budget is unclear in the short term and even less so in the medium term. It is also uncertain whether the proportion of aid allocated to multilateral institutions will actually increase or if multilateral channels are just receiving more attention because of the COVID-19 pandemic. The government's unwillingness to make significant increases to its aid budget, already less generous than the OECD average,<sup>36</sup> prevents it from leading by example. Pressure after the COVID-19 pandemic to reduce public spending might actually lead to aid cuts, especially if the Conservative Party comes back to power. With the accelerated trend of decentering North–South development and broadening sources of development assistance, it will be increasingly difficult for Canada to play an influential role in the development arena.

## Conclusion

This article analyzes the impact of the COVID-19 pandemic on development assistance, based on preliminary observations. The global health and economic crisis has caused a rapid deterioration in development indicators across the Global South while simultaneously precipitating a sudden drop in a range of sources of development finance, from foreign investment and remittances to domestic resource mobilization. As a result, foreign aid is playing a central role in the global response. The crisis has mostly reinforced trends that already characterized development assistance, as it has challenged enduring stereotypes of aid being something that Northern countries give to Southern ones. Counter to that narrative, South–South co-operation keeps growing in importance and, at least in the case of COVID-19, resources and vital know-how can also flow from South to North. Relatedly, the COVID-19 pandemic has reinforced the concept of pooled efforts to provide global public goods, such as medical treatments and vaccines for COVID-19, while also increasing attention to the need for humanitarian assistance and debt relief.

Although the circumstances are tragic, those effects on development assistance are generally positive, at least in the short term. Likewise, the increased attention on health and well-being, as opposed to investments in infrastructure, could contribute to trend reversal: a shift in emphasis from long-term economic growth to more urgent welfare needs—though there is no consensus that it is a positive change and it is not clear that the reversal would last over the medium term. A potentially negative trend that COVID-19 has accelerated is the growing place of self-interest in foreign aid justifications. Although enlightened self-interest is quite compatible with positive development outcomes, there is a danger that the self-interest might not remain enlightened and, in fact, become harmful by sacrificing the needs of impoverished people in the name of donors' own concerns. The new areas of emphasis

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36. "Aid by DAC members increases in 2019 with more aid to the poorest countries," Organisation for Economic Co-operation and Development, 16 April 2020, <https://www.oecd.org/dac/financing-sustainable-development/development-finance-data/ODA-2019-detailed-summary.pdf> (accessed 20 July 2020).

could also divert scarce resources from other important development sectors, especially if donors do not significantly increase their contributions.

Two COVID-19-induced trends remain ambiguous. First, to what extent will the crisis convince international actors that multilateral approaches are crucial for solving global “wicked” problems or, instead, push them to prioritize further their own parochial interests? Second, to what extent will they be willing to devote the extra financial resources required to address those problems, despite severe budgetary deficits at home? The duration and impact of the global crisis and the nature of the post-COVID-19 development landscape will depend greatly on the answers to those two questions, which in turn depend to a great extent on political will in donor countries. Initial signs are discouraging, especially for answering the second question.

The case of Canada’s development assistance illustrates how the trends play out in one mid-sized donor country, aligning well with the overall picture that this article presents. Further case studies will be required to strengthen the empirical basis of the arguments and determine how generalizable they are. Still, even if the findings here are preliminary, based on data only eight months old, the article highlights actual and potential trends that could prove enduring and therefore have an important long-term impact on development co-operation. Finally, future research can use the case of COVID-19 to explore more generally the impact of crises on aid policies, practices, and norms.

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