
**Report of the *CIC-Ottawa African Study Group Seminar* held November 18, 2009 on
*“Positioning Canada for the Africa of 2015”***

One of a seminar series prior to a public Conference January 21- 22, 2010, Ottawa, on
“The World in 2015: Implications for Canada’s Foreign Policy”

WHY AFRICA MATTERS AND WHY CANADA DOESN’T GET IT

A seminar on “Positioning Canada for Africa 2015” organized by the Africa Study Group of the Canadian International Council’s National Capital Branch (CIC-NCB) was held in Ottawa on Wednesday November 18, 2009. The seminar is one of a series organized by the CIC-NCB prior to a public conference in Ottawa “The World in 2015: Implications for Canada”, scheduled for January 21-22, 2010 to review the implications for Canadian foreign policy of foreseeable changes in the international environment by the middle of the next decade.

Some 50 Canadian, African and international participants embodying a diversity of knowledge and practical experience with respect to Africa, agreed to take part in this seminar, which was held under Chatham House rules. A list of participants is attached. In his introductory remarks, Peter Kieran, the Chair of the seminar, underscored the complexity of Africa and proposed that participants should aim at gaining a better understanding of where Africa is headed, and what others are doing, as a guide to Canadian action. In his introductory remarks, Colin Robertson, the current Chair of the CIC-NCB, viewed the outcome (s) of the seminar and the upcoming CIC international conference as an important contribution to Canadian policy formulation.

The seminar was divided into three parts: the morning session shone the spotlight on the forces in play in Africa and how these are likely to reshape the face of the continent and Africa’s role and position in the international order within the next five years. A breakout sessions over lunch suggested specific Canadian actions in the fields of diplomacy, trade, aid and security to promote both Africa’s and Canada’s interests. The afternoon session was devoted to elaborating the sort of Canadian policies that could serve the needs both of Canada and of the evolving Africa.

SYNOPSIS

The seminar took place in the wake of recent Canadian Government announcements of the closing of several diplomatic missions in Africa and a cutback in the number of African ‘countries of focus’ under the aid program – perceived rightly or wrongly as a ‘downgrading’ of Africa in Canadian foreign policy.

Against this backdrop, and running somewhat counter to the prevailing stereotype of Africa as a continent mired in poverty and conflict, the ‘Africa 2015’ seminar projected the unaccustomed

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image of a dynamic continent poised for growth and brimming with opportunities. Large parts of the continent, led by South Africa, Nigeria, Egypt and the Eastern Africa bloc, are approaching the tipping point where the accumulation of a critical mass of infrastructure and human skills combined with a large population base and an immense storehouse of mineral, agricultural and energy resources are creating the conditions for rapid and self-sustaining economic growth.

In the past decade there have been important gains. More than 35 million additional children are in primary school. Innovative aid delivery mechanisms have slashed measles deaths by 90 per cent and delivered life-saving AIDS treatment to nearly three million people. Though the situation remains fragile, after several lost decades, Africa has experienced sustained if uneven economic growth averaging more than 5% a year from 2004 to 2008. However, the global financial crisis sharply curtailed African growth in 2009 and has had a severe impact on vulnerable populations. It is encouraging, however, that many parts of the continent are showing early signs of resilience and recovery, which will be essential for improved living conditions for the poor and a more robust health and education system in the medium term.

The new Africa is equipping itself with increasingly effective institutions to deal with instability and to advance democracy. At the regional level, these include the African Union family of organizations, with a well articulated peace and security architecture overseen by its Peace and Security Council, as well as institutions to enhance democratic governance such as the New Partnership for Africa's Development (NEPAD), and the African Peer Review Mechanism. The 'new Africa' is resolutely embracing modern technology to leapfrog stages of development.

Nevertheless, the "old Africa" of poverty and conflict, hunger, disease and illiteracy, is still far from vanquished. Abundant natural resources have not in many cases translated into sustainable development. The struggle to control resources has led to civil wars in several African countries. Corruption and poor country governance continue to put a brake on development. The food crisis stemming in part from developed country trade barriers on agricultural imports, and climate change for which the developed world must also shoulder some responsibility, threaten to reverse gains. The UN High Level Meeting on Africa's Development in September 2009 heard that Millennium Development Goals (MDGs) have remained just that: despite many successes, donor pledges and results have been too slow for most of the targets to be met by 2015.

Accordingly, progress in Africa though showing great promise is not preordained. It will require political will and better governance by Africa's leaders. But it will also require the continued help and commitment of Africa's partners.

Canada has been such a partner in the past. It is in our interest that Canada's proud record of positive engagement with Africa should continue, in line with both our values and our interests. Africa's disorders if allowed to fester are sufficient to trouble not only the conscience but also the well-being of the rest of the world. Nor could Canada isolate itself from the grim blowback should instability, terrorism, crime, piracy, endemic disease and ecological degradation radiate outward from a failed and fragile continent.

But equally importantly, it is counterproductive for Canada to turn its back on a continent which is beginning to realize its economic and political potential. As a global player, a member of the G8 and G20, a UN Security Council aspirant and ranking middle power, Canada cannot overlook the strategic importance of a continent covering 20% of the world's land mass, with an immense storehouse of resources and 53 votes at the United Nations. This is precisely the wrong moment in history to turn away from Africa.

Other world powers, and most strikingly the Obama administration in the United States, are taking a quite different course. The US, the EU, China, India, Brazil – have already adjusted their vision of Africa and are seeking to intensify their political, economic and diplomatic engagement with a

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region of growing power and influence. Canada alone is seen to be pulling back, cutting diplomatic missions, business facilitation resources, and shedding development partners, and failing to modernize its tools and policies to meet Africa's emerging needs.

It should be recalled that not too long ago, Southeast Asia, China and India were also considered to be cases of hopeless underdevelopment. Our image of Africa, like of these other regions, may be on the verge of undergoing a similar paradigm shift from 'basket case' to shopping cart, from aid recipient to business partner and investment opportunity. Indeed, a number of participants at the seminar testified to the likelihood that Africa in the next decade would be the last great frontier for infrastructure investment, and an engine of growth and stability for the global economy.

The Canadian business sector at the seminar protested strongly that in reducing its diplomatic, trade and aid cover in Africa, the Canadian Government is crippling the capacity of Canadian enterprise and its prospects well into the future to compete on an equal footing against companies enjoying active support and a well coordinated policy approach by their governments.

Pleas by business for a reevaluation of Canada's ties with Africa were echoed by policy analysts at the seminar concerned by the erosion of Canadian influence globally if the sympathies of African countries and their bloc of 53 votes in the UN General Assembly are alienated. The development constituency was concerned by the harm which would be done to some of the poorest people on earth, let alone to Canada's moral standing, if the quality, volume, coherence and sustainability of Canadian aid are not strengthened.

Looking forward to 2015, the following were among the key observations from the seminar about how Canada's policies should be framed to adjust to the new Africa which is emerging:

- Africa is on the rise economically and politically, but its full potential will not be realized unless greater regional integration and better country governance can be achieved, and corruption reined in.
- Canada needs to adopt a 'whole of government' approach to Africa. Policies and instruments have to become more coherent and mutually reinforcing, rather than being conceived in isolation and pursued at cross-purposes.
- Canadian diplomacy has to be more active, the 'Canada brand' has to be more visible in Africa, and Canada should strengthen its diplomatic capacity to ensure it has what is needed to secure its interests in Africa.
- Canada should organize a high level meeting for select African leaders along with a business forum either in conjunction with the G8 Summit, or soon thereafter.
- The Canadian aid program continues to be a critical component in the development mix, and aid should be measured against the three criteria of the Official Development Assistance Accountability Act.¹
- The Canadian business sector can be an important force for achieving political, economic and development objectives, but requires the underpinning and 'umbrella' that only the Canadian Government can provide. In turn, the Canadian business sector must be held accountable for its actions in regard to its corporate social responsibility.

¹ The Official Development Assistance (ODA) Accountability Act (ODA Act) came into force on June 28, 2008. It requires Canadian ODA meet 3 criteria: contribute to poverty reduction; take into account the perspectives of the poor; and be consistent with international human rights standards.

Session I: A Spotlight on Africa 2015**I. Africa's trajectory toward 2015**

The focus of the first session was on 'Africa on the move', on the promise of Africa. Whereas Africa will continue to have problems on a continental scale, the Africa of 2015 also shows promise of becoming one of the poles of growth and development - on a global scale. In his keynote presentation, *Dr. Olayemi Akapo* masterfully laid the table for an informed discussion on the new emerging Africa. Africa's formidable assets make it a region that simply cannot be ignored - comprising 20 per cent of the world's land mass, 30 per cent of the world's sought-after metal and mineral resources, 10 per cent of oil reserves, 53 countries or almost a quarter of the membership of the UN, an increasingly educated population approaching 1 billion people or some 15% of the world's population, a growing middle class, a \$1.7 trillion economy growing at an average rate of 5% just before the recent financial crisis hit, a rapidly expanding infrastructure and increasingly sophisticated political institutions. The New Africa has left behind the old political and neocolonial mindset, and has set its course on economic development in a globalized international system.

Even in terms of its problems, Africa cannot be ignored, because in a globalized international order, Africa's disorders can spread contagion – a fact recognized by the sizeable portion of the Security Council and G8 agenda devoted to African issues. While Africa's conflicts, poverty, low levels of education, continuing food deficits compounded by the threat of climate change, and health pandemics such as HIV-AIDS or malaria have to be addressed, the seminar looked beyond them at an impressive record of positive attainment that has hitherto not drawn the same level of attention.

Africans are beginning to invest in Africa rather than parking their money in Swiss banks or Riviera real estate, which is a positive signal of change. The spontaneous flowering of indigenous entrepreneurship across Africa is beginning to supplant the old model of reliance on foreign aid and foreign-directed investment. One observation was that the rapid growth of cell phone use in Africa over the last decade -- adapted to the needs and capacities of a low income mass market -- has done more for development than 50 years of ODA. In 2008 alone, 100 million new cell phones were put in circulation in Africa, and a continent-wide industry reaching deep into rural areas has sprung up almost overnight. The implications are just beginning to be assessed, but are already forecast to be profound. On the margins of the seminar it was noted that DFAIT and IDRC will be jointly sponsoring a conference on "Africa's New Frontier: Innovation, Technology and Development" in February 2010 to begin taking the measure of these new trends.

The image of economic dynamism was reinforced by *Dr. Salomon Samen* of the World Bank Institute, using a statistical time slice approach to illustrate his view of growth prospects to 2015 and beyond. *Samen* pointed out that African countries regularly chalked up respectable growth rates from the era of independence in the 1960s to the oil shock of 1975. There followed 20 years of economic stagnation, which has deeply marked the continent. However, since 1995, African economies have been gathering strength. From 1995 to 2008 there has been a resurgence in growth with GDP per capita higher than 5% in five of the six most recent years - except for the financial crisis in 2009. The track record of a number of 'African leopards' even during the recent slowdown pointed to good resilience and sustained high growth beyond 2010.

François Arsenault, former Executive Director of the African Development Bank (AfDB) drew on his AfDB experience to project a balanced view of Africa's prospects. Though the global economic crisis is expected to slash growth rates in 2009, Africa has shown remarkable resilience in the wake of the financial crisis. At least a dozen countries are poised to exceed 5 per cent growth in 2010, though in the view of the African Bank, full recovery cannot be claimed until annual growth rates reach 7 per cent. Other intervenors saw Africa as being one of the best

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performers among emerging markets, with a rapidly growing middle class and great unmet needs for modernization.

Some saw the place of Africa in the world economy toward 2015 in even more radiant terms. It could become a global engine of growth to meet the burgeoning needs and purchasing power of its young and rapidly growing population of nearly a billion people striving to catch up to the rest of the world. With a huge pent-up demand hitherto stymied by its poverty for infrastructure, production and consumption goods, Africa was poised to become the 'last frontier' among emerging regions for both capital and consumer goods. The Pittsburgh G20 Summit had viewed Africa as central to the G-20 agenda for achieving strong, sustainable and balanced global growth and for rescuing the international system from the current bind of US over-consumption and the Asian propensity to over-save.

However, while the focus was on the new Africa, the seminar never lost sight of the current reality which falls short of what is required. Nearly all the intervenors cited improved country governance, a strengthened private sector, and greater regional integration as principal elements that would be needed to further boost Africa's growth prospects. Systemic and institutionalized corruption will have to be replaced by greater transparency and checks and balances to protect the public interest. The denial of gender equality in much of Africa is not only an affront to human rights but a suppression of talent of half the population. Samen pointed out that poor policies, bad governance and lack of peace are highly correlated with bad times. The African Bank's medium term strategy to 2012 calls for higher investment in infrastructure, governance, the private sector, and in higher education, as well as better utilization of water resources and better management of natural resources, as key conditions to boost development.

II. What others are doing

Other world powers, the seminar was told, have been much quicker than Canada to discard the stereotypes and recognize Africa's potential. A new 'scramble for Africa' is taking place, but unlike the predatory 1884-5 Berlin conference which saw Africa parceled out among colonial powers, this is a scramble of suitors, many of them bearing gifts. Traditional and newly declared partners have been at pains to organize or institutionalize high level meetings with African leaders - not only the former colonial powers Britain and France, or the US and the EU, but also China, India, Russia, Latin America, Turkey, Iran, etc.

The new scramble for Africa was testimony to Africa's growing place in the international order. Taking his cue from Secretary Clinton's October 1 major policy address on US-Africa relations, *Stephen Hayes*, the president of the US Corporate Council on Africa, told the seminar that for too long Africa has been viewed as a charity case instead of a dynamic continent capable of becoming a global economic engine of the 21st century.

Hayes pointed to a growing recognition in the US that the government needs greater involvement by the US business sector, and risks losing its influence unless it becomes a more important trading partner for Africa. The US, he said, needs Africa more than Africa need the US. He expressed concern that the US business sector was 'missing the boat' in that it had focused almost all of its investment in Africa on the extractive industries, leaving wide open to its competitors the growth areas to satisfy African domestic demand. China was about to overtake the US, if it had not already done so, as Africa's most important trading partner.

Hayes described Africa as one of the last great emerging markets in the world. He said that the US was intent on fostering public-private partnerships in sectors that play to a US comparative advantage, such as infrastructure, agribusiness and health. He saw an opportunity for Canada and the US to work together in pursuing greater involvement in the African marketplace. He was critical of the proposed EU Economic Partnership Agreement with the African group of developing

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countries, which in the US view seeks to establish an exclusive trading relationship, and “was not the way to go”.

Among Africa's non-traditional partners, the one which received greatest attention was China, and the recognition that it had become a ‘juggernaut’ in terms of its dominant role in foreign direct investment, trade and petroleum extraction. At a summit meeting with Africa's leaders on November 8, 2009, China's prime minister Wen Jiabao announced \$10 billion of new concessional loans for Africa. Although there was considerable speculation about China's motives for its penetration into Africa, one view expressed was that China simply recognizes that an increasingly integrated Africa with a growing middle class and a huge requirement for infrastructure is a good place to do business.

III. Canada's present role in Africa

Canada as a generous and non-threatening member of the G8, the G20, la Francophonie, the Commonwealth, and an ardent multilateralist, has been traditionally viewed by Africans as an agent of positive change. However, in contrast to the growing relationship of other major players with Africa, *Lucien Bradet*, president of the Canadian Council on Africa, portrayed the Canadian Government's current posture as reticent and problematic. Despite a close historical relationship dating from the early years of African independence, some participants viewed Canada's policies as becoming increasingly erratic. Pronouncements of commitment (such as the \$500 million Africa Action Plan emanating from the 2002 Kananaskis G8 Summit, or the 2005 Gleneagles commitment to double Canadian aid to Africa, which Canada in 2009 was the first to meet, have been followed by announcements of the closing of Canadian diplomatic missions in Africa, and by unilateral cutbacks in the number of priority African aid recipients. No other G8 country is closing missions in Africa.

Other intervenors regretted Canada's spotty record of cultivating ties with Africa, especially with respect to the personal diplomacy of contacts at leadership level and the welcoming of African leaders to Canada. Canada's immigration regime administered through its missions abroad has put vexatious visa processes in the way of African business contacts, and even of government leaders applying to visit Canada. They are, according to one intervenor, treated as potential criminals, not welcomed as partners. Africans bridle at what appears to be a lack of respect, so that even positive gestures toward Africa such as the doubling of aid or the recent generous Canadian commitment of callable capital to the African Development Bank at the Pittsburgh G20 Summit are seen as a quixotic gesture rather than reinforcing a pattern of friendship and trust. Accordingly, in the new scramble for Africa, Canada, which once aspired to a special relationship with African countries, appears to be left on the sidelines, doing only the minimum and showing no coherent leadership.

Session II: What Should Canada's Policies be on Africa, and Why?

I. Why should Canada engage with Africa?

The seminar was challenged to justify why Canada should engage with Africa. During the course of the seminar, the following elements of a response emerged:

- *The Moral Imperative*: A strong constituency of Canadians including a growing African diaspora in Canada consider that there is a moral and ethical obligation for Canada and Canadians to do their share as responsible members of the international community to provide assistance to the poorest developing countries, most of which are in Africa.

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- ***Comparative Advantage:*** Canada can punch above its weight and make a difference in Africa because of Canada's long history of involvement in African development and its cultural and linguistic affinities with a large number of African countries.
- ***Economic Advantage:*** There are increasingly favorable business opportunities for Canadian trade and investment due to rising GNP on a continent with close to a billion people, a growing middle class, and a rich storehouse of resources. Africa is a major source of Canada's east coast petroleum imports. Canada is currently the largest investor in Africa's mining sector (now aggregating some \$21 billion). However, Canada will find itself at a competitive disadvantage unless it cultivates what is likely to be the fastest growing region in the 21st century and a motor of growth for the global economy.
- ***Political Advantage:*** Africa's 53 seats at the UN are critical for Canada's prospects of being a global player - of serving on the Security Council in 2011-12, as well as for our success as Chair of the 2010 G8 summit and Co-Chair of the G20 - in all of which Africa will figure prominently. Canada is out of step with other countries, particularly the US, which recognize that change is underway in Africa and which are now actively soliciting Africa's attention.
- ***Security:*** The problem-ridden 'old Africa' cannot be ignored. In an increasingly globalized international order, Africa's security problems pose both an ethical challenge and a risk of contagion. Recent African history has demonstrated that poverty, poor governance and low levels of education, if allowed to fester, can spawn instability, terrorism, disease, crime and ecological degradation, not only to contiguous regions but well beyond the continent, potentially affecting the wellbeing and safety of Canadians. The proper balance of preventive aid and diplomacy and of security assistance to keep these problems at bay must be continually reassessed.

II. How best to engage with Africa?

This session was largely devoted to an examination of the policies that Canada should be pursuing in its relations with Africa to best meet Africa's and Canada's own needs by 2015.

The underlying premise of most of the prescriptions put forward was that a continued close relationship between Canada and Africa is very much in Canada's interests. Canada's self-interest is engaged in support for the continent's security architecture, and for international peacebuilding and peacekeeping in Africa. Canada can best promote African security by enhancing the capacity of African institutions. The combined efforts of Africa's own regional security apparatus, particularly the African Union family of organizations and sub-regional institutions such as SADC and ECOWAS, along with those of the UN and the international community, are showing results. Without minimizing the challenge of the continent's trouble spots, Africa is becoming a safer, more stable and a more democratic environment, for the good of its own inhabitants and for the rest of the world.

In his presentation, *Andrew McAlister*, a consultant and former diplomat with long African experience, took note of the existence of a strong political base in Canada particularly within civil society through the NGOs, the churches and the business community, as well as a significant African diaspora which wants to see Canada more engaged in Africa.

McAlister's prescriptions for positioning Canada for the Africa of 2015 involved getting things right rather than making dramatic shifts in policy. They include stopping the rundown of our diplomatic capital in Africa, putting emphasis on the quality rather than the quantity of aid, stopping the search for panaceas and quick fixes (there aren't any), and supporting the patient work that focuses on developing African capacities. He laid emphasis on the fundamental role of

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the African private sector in development. He warned against building up a public sector in African countries that can't be supported by the capacity to raise taxes. He advocated the pursuit of corporate social responsibility (CSR) in the resources sector, particularly as Canada is the largest source of private foreign investment in African mining.

McAlister urged Canada to strengthen the capacity of African companies to do business globally, to militate for greater access to world markets for African products through the MTN, and to engage in a principled manner in the battle against corruption. His views were reinforced by those of *Bob Blackburn*, Senior Vice-President at SNC-Lavalin, who indicated that savvy Canadian firms have long recognized that Africa offered significant economic opportunity and that because of Africa's many infrastructural deficiencies, it makes sense for Canadian firms as an element of CSR to invest in building up that infrastructure. He lamented that CIDA no longer funded even Canadian planning, design and management expertise (not suggesting a return to "bricks and mortar") to such projects notwithstanding the highly positive development payback demonstrated by CIDA's own audits of its past infrastructure projects in Africa.

Gerry Barr, the President and CEO of the Canadian Council on International Cooperation expanded on the need for Canadian aid to Africa to be delivered in conformity with the ODA Accountability Act. He expressed concern that the dropping of seven African countries – almost all francophone -- from CIDA's priority list raised the alarm that 'Canada is on the way out' from Africa. In addition to maintaining the constancy and quality of Canadian aid, he also argued for more amenable trade rules to allow for robust indigenous growth in Africa. Aid, he said, was never intended to be the development engine for the continent. Canada, which has huge investments on the continent, should also recognize that CSR is part of the solution.

Other intervenors maintained that Canadian policies toward Africa were inconsistent, and that there was a need in particular to better coordinate DFAIT (political and trade) and CIDA (development and humanitarian) programs. There was universal disapprobation of the closing of diplomatic missions and a call for the expansion of Canadian representation.

Rev. Oscar Boloko, Vice-President of the African Diaspora Association of Canada, made the point that Canadian missions could be more effective, particularly in protecting interests of Canadians and facilitating travel to Canada. He also made the point that in its relations with Africa, the Canadian Government does not take full advantage of the knowledge and contacts of the African diaspora in Canada.

III. Proposals for Canadian Engagement Grouped by Theme

The one day seminar was neither mandated nor structured to make formal and detailed recommendations on Canadian policy, but rather aimed at eliciting the sort of Canadian approaches that could both reinforce positive trends as well as position Canada as a privileged and constructive partner in Africa's future. There were, however, leitmotifs and points of emphasis which resonated prominently in the discussion, and they have been regrouped below under five headings as representing the sense of the seminar.

i. Overarching and Cross-Cutting

The 2010 G8 and G20 Summits for which Canada will play host in June 2010 were seen as unique opportunities for Canada to make up some lost ground in relations with Africa – the more so as Canada's chance of election to the Security Council next October will turn on capturing a good number of the 53 African votes in the General Assembly. The view was expressed that Canada should build on its political capital of being the first G7 donor to have met its commitment to double aid to Africa, and to have been a leader in helping position Africa on the global agenda.

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Another strong theme of the seminar was that as African countries move toward self-sustaining growth, the Canadian development program while remaining an important policy tool should be better linked to other instruments to channel Canadian interests. Aid was never intended to carry all the freight of development.

By contrast with countries that formulate long term objectives and pursue them systematically, Canadian approaches to Africa were viewed as ad hoc, transient, and uncoordinated, paying little attention to the changed reality in Africa. A common refrain was that the reduction in the number of African 'countries of focus' for the aid program has sent a signal of disengagement at the same time as Canada is vying for a Security Council seat.

Wider and more systematic sharing of information among the relatively small group of Canadian government, civil society and business players concerned with Africa found favour with participants. It was noted that civil society – including the African diaspora in Canada – and the private sector, often possess a wealth of information about particular countries that would be of use to officials, and vice versa.

- **Canada needs a vision of what it wants its relations with Africa to be.**
- **Canada's diplomatic, development, trade and security policies toward Africa should be coordinated to ensure that they are mutually reinforcing rather than working at cross-purposes.**
- **Canada should adopt a 'whole of government' and 'whole of Canada' approach favoring partnership with NGOs, the business sector and the African diaspora to encourages greater consistency, coherence, and reinforcement of policies, including CSR.**
- **Canada should take advantage of the African diaspora in Canada to increase the impact and effectiveness of our activities in Africa.**
- **Looking to the future, trade and investment should constitute a stronger foundation for our relations with Africa. A shift in emphasis beyond aid toward strengthening Africa's productive capacity and toward the developmental benefits of trade, investment and better market access for African products should be pursued.**
- **An annual round table to exchange information among public officials, business leaders and civil society concerned with Africa, and selected African partners should be institutionalized.**

ii. Diplomacy

That Canada is making insufficient use of this instrument of Canadian policy was a widely expressed view. Twenty thinly staffed resident missions in all of Africa – the smallest number of any G8 country – are too few to cover the continent, and do not allow for the deep local knowledge and exercise of influence that are the comparative advantage of diplomatic missions. Some claimed that existing missions could be doing a better job of facilitating travel and trade.

In seeking to win friends and influence customers, mixed signals are conveyed by Canada's reticence in engaging in political level visits to or from Africa, and by visa requirements which make access for African business travelers to Canada difficult and unpleasant. On a continent where cultivating personal relations with the leadership is a principal mode of statecraft, Canada has been parsimonious in both sending ministers to Africa and welcoming African leaders to Canada.

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- The Prime Minister and other Ministers should consider visits to African capitals, and/or African heads of state should be invited to meet in Canada, in preparation for the Muskoka G8 and G20 Summits.
- Canada needs an ongoing and enhanced diplomatic presence in Africa, and should stop the rundown of Canada's diplomatic capital in Africa.
- More African leaders should be invited to visit Canada, and more Canadian ministers should include African capitals on their itineraries.

iii. Development

The background to the lively discussion on Canadian aid was the announcement in February 2009 that in the case of Africa, Canada was cutting in half the number of priority aid recipients to which would be apportioned 80 per cent of bilateral aid. While the consensus view at the seminar was that Canada's engagement with Africa has to extend beyond aid, there was continued preoccupation with the need for a well functioning aid program (and aid agency) both as an expression of the solidarity of Canadians and as an instrument to promote economic development and welfare of developing countries. Investing in girls' education was cited as an example of aid which plays to our values and has a big impact as a 'force multiplier' for development. The emphasis was as much on the quality and coherence of aid as on quantity, with the touchstone being the ODA Accountability Act. That act provides that aid must be dedicated to poverty reduction, take account of the perspectives of the poor, and respect international human rights standards.

While Dambisa Moyo's thesis of 'dead aid' stirred controversy, the majority opinion of the seminar was that Canadian aid should not be dismantled, but rather made more coherent and consistent in line with the ODA Accountability Act. However, some doubt was cast on the prevailing wisdom that aid should be focused or concentrated mainly on the 'good performers'. Doing so, it was pointed out, does not address the issue of poor performers, and could condemn fragile states to failed status and spread fragility to neighbouring countries. It was suggested that major aid donors agree among themselves on burden-sharing so that no susceptible countries are left without donor support.

The view was also expressed that the aid vs trade controversy is a false dichotomy, because aid was never intended to be the sole vector of development or engine of economic growth in Africa. It was always intended to lay the basis for indigenous enterprise and healthy trade and investment flows - not as a substitute for these flows.

- **MDGs:** Canada should support the implementation of the MDGs – the target date for many of which is 2015.
- **Quality:** The ODA Accountability Act should guide all allocations based on three criteria: aid must be dedicated to poverty reduction; take account of the perspectives of the poor; and be consistent with international human rights standards. CIDA should have a more decentralized structure and integrate more voices from the South. An enhanced role for civil society and a good consultative regime would contribute better governance and accountability.
- **Quantity:** As a minimum, Canada should maintain the current levels of funding to Africa, and ensure those levels are increased proportionally if the International Assistance Envelope increases.

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- **Coherence:** Canada should adopt a more holistic approach to complement its aid program by 1) improving the quality of investments, making sure they address regional and local needs and not only serve Canadian interests, 2) offering capacity building assistance to partner governments and civil society, and 3) encouraging innovation (mostly through responsive mechanisms). One area for such assistance would be to contribute to the global health perspective to rebalance the support for health systems.
- **Regional integration:** As part of its aid to Africa, CIDA should maintain programs that promote the building of capacity in Africa's regional and sub-regional institutions, and in particular greater integration of Africa's regional economic communities.
- **Gender equality:** Canada should pursue the emphasis of its aid program on girls' education and the political and economic empowerment of women not only as a matter of human rights but as a powerful accelerant of development.
- **Private sector:** More emphasis should be placed through the aid program on private sector development, to balance support for public sectors such as health and education - and to generate the tax revenue without which the good works of the public sector cannot be sustained.
- **Infrastructure:** CIDA should undertake infrastructure projects which are key priorities for African development in sectors which play to Canadian strengths.
- **Post-secondary education:** Scholarship programs should focus on in-country training which can assure 4-5 graduates for every single student studying in Canada - and which will help reinforce the capacities of African universities. Canada also has a comparative advantage and can do more in the area of vocational training at technical college level, a field that provides needed skills more immediately for the job market.
- **China:** Canada should seek to engage China in joint development projects in Africa inter alia by taking advantage of our common constituency at the African Development Bank for joint consultations and by partnering with Chinese companies within the framework of the AfdB, where corporate social responsibility is a criterion.
- **Aid burden-sharing:** Aid agencies should consult through the OECD-DAC to balance out 'donor darlings' and 'aid orphans' so that no vulnerable country falls through the cracks or is unintentionally left out.

iv. Trade, trade policy and investment

For most participants, the profusion of good business opportunities in the new Africa is a given; the issue is whether Canada and the Canadian private sector are sufficiently nimble and well equipped to take advantage of them, or are content to leave the field to traditional partners (the EU, the USA) and new entrants (China, India, Brazil and the rest). For some, the development of Africa as one of the last great emerging markets in the world is seen as essential to the rebalancing of the global economy in the 21st century. To prepare the base for the future commercial relationship with Africa, Canada should take steps now to adopt policies which encourage the Canadian business sector to pursue partnerships in Africa, and to build the capacity of the African private sector to partner with Canadian firms.

Large Canadian firms have figured out long ago that Africa is not a basket case but offers significant economic opportunity. However, the diplomatic cover and support of Canadian diplomatic and trade missions is still considered to be vital for Canadian companies doing

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business in Africa to level the playing field and to take potential measures where Canadian firms face discrimination against their products.

To build a mature and sustainable relationship, the Canadian Government and civil society need to be vigilant to ensure that Canadian trade and investment will be of mutual benefit to Africans and Canadians alike – which means ensuring a level playing field for both. Canadian companies may face undue preferences accorded to other non-African competitors. The degree of adherence to CSR by Canadian mining companies in Africa will warrant monitoring. Also, Canada's import policies do not provide sufficient incentive for robust growth in productive sectors in Africa, and therefore run counter to the thrust of the aid program and political objectives.

- Canada should demonstrate its commitment to African trade and investment through high level and high profile business missions to African markets, led by a Canadian minister and on special occasions by the Prime Minister.
- Canada should maintain an active diplomatic presence and profile in African countries as an essential support for the Canadian business sector. While large Canadian firms have figured out long ago that Africa is not a basket case but offers significant economic opportunity, even well established firms still require the 'image de marque' and diplomatic cover that well connected, well regarded Canadian missions can provide.
- Trade Commissioners and commercial officers well integrated in their local milieu can play a vital role in promoting Canadian exports and investment. Africa's potential for exports and investment should be well reflected in DFAIT staffing and mission budgets.
- Canada should follow the lead of the US and other partners in establishing high level relationships through joint economic committees or other regular consultative mechanisms with those African countries offering the best prospects for economic interaction.
- Canada should promote corporate social responsibility (CSR) for Canadian companies investing or trading in Africa, particularly in the resource sector.
- Canada should adopt a coherent, publicized set of principles to deter discrimination against Canadian exports by countries which benefit from Canada's unilateral preferential tariff regimes, including by negotiating defensive Free Trade Agreements (FTAs) and Foreign Investment Protection Agreements with such countries, and by removing eligibility for preferences in the Canadian market from products of countries where discrimination against Canadian exports is considered substantially detrimental.
- As a first step in implementing these principles, Canada should conclude the negotiation of an FTA with Morocco and initiate negotiations with South Africa by the end of 2011.
- In negotiating FTAs with African partners, Canada should offer aid to help the African partner adapt to the challenges and opportunities of the new trading relationship.
- Canada should actively pursue investment protection arrangements, including investor/state third party arbitration, as well as double taxation arrangements, with governments of African countries that offer attractive investment opportunities for Canadians.
- Canada should work for the successful conclusion of the Doha Round of global trade negotiations allowing greater market access for African products, particularly agricultural products. A successful Doha agreement leading to greater subsidy disciplines would enhance domestic and export market opportunities for efficient African producers.

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- Canada should have a development finance institution such as the World Bank's IFC. The move of CIDA's Industrial Cooperation Program (INC) to International Trade should give it a greater investment focus, but it will have limited resources.
- Canadian companies should seek out partnerships with US firms in some African markets and sectors where their operations are complementary. Canada should also explore three way partnerships with China, which can supply the hardware and capital but often not the software and training that projects require. Companies from South Africa and the Gulf States are key investors in Africa (outside the energy sector) and potential partners for Canadian firms.
- The Government and Canadian airlines should negotiate direct flights between Canada and African destinations, since the awkwardness and inconvenience of current air connections sends the message that Africa is peripheral to Canadian interests.
- The Canadian Government should find ways to facilitate the visa process and, consistent with trade development priorities, make it much more business-friendly for senior government and business visitors from Africa.

v. Security

Canada has been heavily engaged in international and regional initiatives through the UN, the G8, the African Union, and sub-regional organizations, to deal with conflict and its humanitarian aftermath in Africa. However, many African states continue to be fragile, and in addition to peace operations underway in countries in conflict, preventive measures should be more widely undertaken to forestall conflict.

- Canada cannot tackle Africa's security problems on its own, but should continue doing so by a) working with appropriate partners; b) within tightly defined parameters as part of a global or collective effort to enhance African security; c) preferably mandated by a global or regional security agency; d) in close consultation with African governments and regional institutions.
- Canada should maintain its current capacity-building support for African Union security architecture and AU and UN peacekeeping, while at the same time favouring conflict prevention and peacebuilding through development and diplomacy.
- Canada should continue to support the African Union and partners such as South Africa and Nigeria with a capacity to intervene to deal with fragile states. African states must take the lead.

Conclusion

The seminar presented the double image of a complex and troubled continent which is struggling to overcome its poverty, divisions, and conflicts; and at the same time the vision of a dynamic and ascendant Africa which is becoming a more important player on the world stage. But there is only one Africa, and it is in Canada's interest to help with its transformation. By not helping Africa overcome its problems, Canada would be forsaking its own values and storing up trouble for the future. By maintaining our engagement, we would be enhancing our role on the world stage and safeguarding some of the avenues for our future influence, security and prosperity. In essence, our relationship with Africa is as much about Canada's future role and influence as it is of Africa's.

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Seminar Chair: Peter Kieran

Chief Executive Officer and founder of CPCS Transcom;
Former Chair, Canadian Council on Africa

Other Participants

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| 10. | Lucien Bradet | President and CEO, Canadian Council on Africa |
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