



## A VISION PAPER ON CANADA-AFRICA RELATIONS – March 2019

### Introduction

The Africa Study Group (ASG) was created in 2007 to increase Canadian awareness of the continent, its developments and its issues, as well as to influence Canadian policy. This goal remains relevant: the existing level of awareness is insufficient – and what knowledge exists is often out of date and at times incorrect.

**This Vision Paper** aims to make Canadian decision-makers aware of Africa's growing importance and offers a vision of a more mature, diversified and mutually-beneficial relationship. Africa should be part of a comprehensive Canadian foreign policy which recognizes an evolving multipolar world.

### Why Africa?

The continent has growing geopolitical clout; Canadians tend to underestimate its size, its rate of economic growth, its diversity and its cultural richness.

Africa's population – potentially 2.4 billion by 2050 - and its 54 countries, give it a significant political weight in such international fora as the United Nations, the Francophonie and the Commonwealth. McKinsey identified over 400 African companies with valuations exceeding a billion US dollars, while the business world mistakenly estimated their number at between 50 and 100<sup>1</sup>. More than 80% of the population growth will be in cities, creating more consumers using smartphones and demanding 21st century goods and services. In 2050 40% of the world's under-18s will be African.

However, Africa will also be home to the greatest number of the world's poor, even though the poverty rate is falling as it is doing elsewhere, albeit more slowly. Its peoples are particularly vulnerable to climate change and continue to face security challenges in many regions. Sustained and inclusive economic growth, education, better infrastructure,

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<sup>1</sup> <https://www.mckinsey.com/featured-insights/middle-east-and-africa/africas-overlooked-business-revolution>, 2018.

improved governance and more respect for human rights are needed if poverty is to fall more rapidly and sustainably.

### Canada needs a policy to frame its relationship with Africa

The ASG's view is that Canada should decide to pursue a strong partnership with Africa, and it then needs to live up to that decision. A strong relationship with Africa would help Canada achieve its goals of diversifying its international economic relations, playing a leading role in the efforts to combat and adapt to climate change, helping achieve the 2030 Sustainable Development Goals and pushing the world towards better human rights and gender equality. But a strong relationship requires more than meeting the (relatively unambitious) target of devoting 50% of bilateral development assistance to Sub-Saharan Africa.

Having a clear and publicized goal of stronger ties with Africa would improve Canada's image at home and abroad, correcting the impression that we are no longer interested. Such a policy should encompass all African countries, adapting the various tools we use (diplomacy, trade, cultural exchanges, humanitarian assistance, peace operations and long-term development assistance) to their particular circumstances and needs. Together with African partners we can work towards a more secure, prosperous and rights-based world, with a special emphasis on those of women and children, and a world where African countries have the institutional capacity to be more resilient in the face of inevitable shocks.

We highlight six important aspects that our proposed new vision for Canada's relationship with Africa should emphasize:

1. **Getting the fundamentals right** means looking at all aspects of the relationship, including the flows of money and people between Africa and Canada. The Canadian Government can better help Canadian firms and investors recognize the opportunities, and not focus solely on the risks, which although real, are in most cases manageable. It should continue the work it has been doing with its G7 partners to allow the African Diaspora to make remittances at lower costs, while working with diaspora in Canada to develop strategies to put their expertise to better use in their countries of origin. Canada should also strive to make international trade rules fairer to African countries (and to ensure that they are fully aware of their existing rights under the WTO) and support the Financial Action Task Force's (FATF) efforts to curtail the illicit flow of money from poor countries, including those in Africa, to Western countries, including Canada. On the people side, we need a clear analysis of how we could facilitate access to Canada, through more responsive visa issuance for short term visits and immigration policies, while remaining vigilant about security and other concerns, and avoiding increasing the brain drain that already handicap Africa's development.
2. **Diversifying trade and investment** are an important Canadian policy objective, even more so after the recent battle with the US over NAFTA. Recent studies have

confirmed that developing and emerging economies are key to Canada's trade diversification.<sup>2</sup> To take advantage of Africa's growing economy, we need to significantly expand the efforts of the Trade Commissioner Service there and continue to negotiate Foreign Investment Protection Agreements (FIPAs) with African partners as needed. While it is not practical to develop specific trade strategies with each of the 54 countries of the continent, we should also look at engaging with the Regional Economic Communities (RECs) and support the African Union and the new Agreement Establishing the Continental Free Trade Area (CFTA). Stronger economic growth in Africa would help enhance economic relations with Canada for mutual benefit. Canada has much to offer Africa, including expertise in energy (including clean energy), IT, forestry, education, health facilities, governance (both public institutions and parliaments), and mining. Canadian companies are major mining investors<sup>3</sup> in a number of countries, and Canada can help African countries learn how to benefit from extractive industries as opposed to being victimized by them.

**3. Broadening our influence in the world.** We need to partner with African countries to broaden our influence in the world and to promote our shared goals of a rules-based world order, with prosperity, peace, security and human rights for all, especially for women and youth. Canada has recommitted to the United Nations and multilateralism, and is seeking a two-year seat on the Security Council. We renewed support for UN peacekeeping operations by participating in MINUSMA in Mali, but we need to show that this re-engagement is sustained, and more significant. This requires:

- More Canadian diplomatic representation in Africa. Our footprint in terms of embassies has shrunk considerably over the last 20 years while other countries (such as China, India, Brazil and Turkey) have aggressively expanded their presence as they recognize Africa's growing importance. We should announce a target for the expansion of our diplomatic network (with resident Heads of Mission) over the next few years - aiming for at least 30 countries within five years from only 20 currently.
- Better use of African multilateral institutions (the African Union, the Regional Economic Communities, the UN's Economic Commission for Africa and the African Development Bank – where we actually have an unusually large shareholding that we don't exploit as we could). Our representatives at these institutions and our programming with them show our support to a wider range of countries and should be a source of additional intelligence on African

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<sup>2</sup> Canada on the Global Stage: Where to Next? 2018 Data Report by the Canadian International Development Platform (Carleton University).

<sup>3</sup> Because much of our investment in Africa (and elsewhere) is made through financial centres (tax havens) it can be hard to track its true size. In 2017 « Total revenue yield of Canadian owned mines was \$26.3 billion, with 110 active companies, according to <https://www.nrcan.gc.ca/mining-materials/publications/15406>

developments. We should take more advantage of this. In the same vein, we need to convince the heavily African membership of the Commonwealth and the Francophonie that Canada is actually “back”!

- More frequent high-level Canadian visits to Africa (including possible state visits by the Prime Minister) and attendance at meetings (ministerial level attendance wherever possible) <sup>4</sup>and high-level African visits to Canada – which should increase “ownership” of an African agenda here, increase our visibility in Africa, and Africa’s visibility in Canada.
  - Personal engagement by Canadian politicians and senior bureaucrats with their African counterparts to deepen relationships, to explain Canadian points of view and to better understand the diversity of African policies and challenges. A few substantial annual consultations to review all aspects of the relation between Canada and key countries, would be very useful.
- 4. Canadians partnering with Africans:** Canadians, from both the private sector and civil society organizations (CSOs), have developed strong expertise in fields of great importance to Africa, including the social sectors, infrastructure, agriculture, natural resources, entrepreneurship, governance (including federalism where needed), and public sector reforms (including fiscal reforms, notably in terms of fiscal federalism). Canadians want to work with Africans to contribute to the continent’s development; they want to do business there. The African Diaspora in Canada is significant - a rough calculation from the 2016 census suggests that there are about 850,000 Canadians who come from the African continent. In 2017 alone, these residents sent remittances to African countries, totalling USD 1.365 billion <sup>5</sup>, or nearly two thirds of the USD 2.120 billion of 2017 Canadian ODA to Africa.<sup>6</sup> The Diaspora can provide unique expertise to their home countries, while bridging relations between those countries and Canada.
- 5. Supporting Fragile States and those in Conflict.** While African societies and economies continue to grow, major security challenges remain, some stemming from long-standing internal issues (ex. Cameroon, South Sudan) and others multidimensional (the Sahel). Sub-Saharan Africa hosts the most UN peace operations plus the largest number of UN peacekeeping personnel. The African Union and several of the RECs have set up their own security forces and have been major actors in such venues as Darfur in Sudan. But these forces need training for

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<sup>4</sup> The Prime Minister briefly visited Liberia and Madagascar when he attended La Francophone meeting in 2015., and the Canadian forces in Mali this past Christmas. The Governor Genera visited West Africa in October 2018.

<sup>5</sup> <http://cidpnsi.ca/blog/portfolio/canadas-development-footprint-beyond-aid>, 2018.

<sup>6</sup> <http://cidpnsi.ca/canadas-foreign-aid-2012-2/> ???

which Canada has an outstanding reputation. We applaud recent Canadian initiatives such as the Elsie Initiative for Women in Peace Operations.<sup>7</sup> An important contribution to peace and security would be support for community-driven mediation processes. Canada has expertise in this area.

**6. Increasing and improving our international assistance.** Although international assistance is only one of several tools to help countries fight poverty, it is an important one. Canadian aid has been criticized for a lack of focus, and frequent changes of sectoral and thematic priorities. The international assistance component of our vision for Canada-Africa relations should include:

- Increase ODA: the current budget is insufficient given the goals that Canada has set out for itself. With more ODA going to critical humanitarian needs, the new thematic initiatives have led to cutbacks in ongoing programs and projects. New innovative funding from the private sector will help, but it is insufficient, and Canada keeps losing ground in comparison to other OECD countries. The government should, as part of its reengagement strategy, set itself a reasonably ambitious target for ODA over 5 to 10 years - to 0.35% and then 0.4% of GDP. Moreover, there is a need for more attention to the balance between bilateral and multilateral programming.
- Put country ownership at the front of aid effectiveness principles (reduce thematic programming decided in Ottawa). Aid needs to be delivered in a predictable, multi-year framework based on mutual accountability, with the clear goal of improving institutional capacities to ensure sustainability.
- Maintain a human-rights based approach, with continuing special attention to gender equality, without losing focus on critical sectoral priorities, such as education, health, economic growth and governance.
- Develop clear criteria for the selection of African countries for programming and differentiated approaches developed to take account of their varying needs. Low-income countries need policy advice and development assistance. In fragile, post-conflict countries or those still in conflict any humanitarian or development assistance needs to be co-ordinated with efforts to reinforce security or to achieve or maintain peace. Those efforts will need to be coordinated internationally, particularly with African partners.
- Promote innovation in program delivery: the government has announced measures to make greater use of the private sector but putting aside the useful creation of FinDev Canada, these remain vague.

## Our Vision..

for Canada-Africa relations is based on mutual respect and mutual interests: i) a relationship where Canada recognizes the continent's growing importance as well as its changing and diverse realities; ii) commits to work together with African countries achieve

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<sup>7</sup> The Elsie Initiative for Women in Peace Operations, Vancouver, November 15, 2017.

substantial, steady and inclusive economic and social progress; and iii) one where Canada marshals all its foreign policy tools, in an effective and comprehensive collaboration with African partners, to target progress on the many areas of mutual interest, including supporting a rules-based international system, fighting further climate change while adapting to current realities, and promoting human rights and gender equality.

Linked to that vision are some key recommendations:

1. Develop a comprehensive multi-dimensional strategy to enhance the Canada-Africa relationship - which should inform individual country and regional strategies.
2. Strengthen Canadian presence - 10 additional diplomatic missions within 5 years, more government-to-government exchanges for enhanced diplomatic, political and economic relations, and more people-to-people exchanges for enhanced cultural, economic and education relations.
3. Diversify Canada's economic outreach by expanding into African markets with trade and investment; to help do so, double the number of trade commissioners in Africa
4. Raise ODA to 0.35% of GNI by 2025 and to at least 0.40 by 2030 (the target date for reaching the Sustainable Development Goals)
5. Analyse the benefits and costs of the "Country of Focus" approach and develop clearer direction and criteria to guide the allocation of funds, under multi-year, demand-driven, country-ownership approach, not a donor-driven one.
6. Establish a Working Group with representatives of the African Diaspora to develop strategies to put their expertise to better use in their countries of origin.
7. Increase high-level visits to Africa and from Africa to Canada.
8. Improve and increase the information Canadians receive about Africa, its challenges and successes, and Canada's links to the continent.