



NEW VISION
NEW PARTNERSHIP

CanadaFund
for **Africa**



Message from the Minister



The New Partnership for Africa's Development, or NEPAD, is about a new partnership and a new future for the people of Africa. It's a vision forged in the determination of Africa's leaders to break the cycle of dependency and underdevelopment that has denied 800 million people their rightful place in the global community.

Prime Minister Chrétien's leadership in spearheading the efforts by the G8 group of industrialized countries to develop an action plan in response to NEPAD has mobilized other donors and inspired Africa's friends and supporters throughout the world. The Prime Minister has announced the creation of the \$500-million Canada Fund for Africa to support the G8 Africa Action Plan and NEPAD. He has also indicated that at least half of the 8 percent annual increase in Canada's development assistance budget to the year 2010 will focus on Africa.

Canada is uniquely placed to accompany Africa on its new journey. For more than three decades, the Canadian International Development Agency has built strong partnerships with African countries, institutions, and individuals. Canadians are making a difference in the lives of Africans.

Through the Canada Fund for Africa, we will bring new Canadian contributions to the table, working in partnership with African governments, institutions, enterprises, and civil society. We will accompany and support our African partners as they take charge of their destinies. We are profoundly committed to development in Africa, to the role it can play in the global community, and to this new made-in-Africa vision whose time has come.

The Honourable Susan Whelan
Minister for International Cooperation

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Canadian International Development Agency

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The challenge

Despite the development challenges facing Africa today, never before have Africans been so ready, so capable, and so committed to working together to ensure a better future.

Democracy is taking root in many regions of the continent. Pan-African institutions are working together on critical issues like peace and natural resource management. Community-based and volunteer organizations are growing in expertise and influence. A new generation of leaders is emerging, and women are playing an increasing role in public life.

Economic reforms in many countries are leading to rapid growth in small- and medium-sized businesses. The communications revolution has brought Africa's cultural traditions and intellectual achievements to the world, and Africans have never been more active in international dialogue and debates. All of these trends are inspiring a new energy and a new sense of purpose across the continent. Perhaps most important of all, there is a new commitment at the very highest level to the kinds of changes Africa needs to reach its potential and take its place in the international community.

Africa takes the lead

A group of progressive African leaders has developed a visionary plan to lift Africa out of poverty and into the global mainstream of sustainable growth and development. The plan—the New Partnership for Africa's Development (NEPAD)—confronts Africa's challenges directly and realistically, and in it, Africans invite their partners throughout the world to work with them. The plan breaks new ground in several important ways:

- It is the first development plan for the continent to originate in Africa.

Africa's challenges

- *1 in 2 Africans lives on less than US\$1 a day.*
- *56 million African children are not in school.*
- *More than 23 million people are HIV-positive.*
- *The population will double by 2050.*
- *1 in 5 Africans is affected by conflict.*
- *African women have a 1 in 13 chance of dying of causes related to childbirth.*
- *14 countries suffer water scarcity.*
- *About one third of all crop and pastureland is at risk of permanent loss.*
- *Africa has 13 percent of the world's population, less than 1.6 percent of global trade, and 1 percent of global investments.*

- It has been endorsed by 53 member countries of the African Union.
- It places responsibility for Africa's development on African shoulders.
- It identifies good governance and conflict prevention as preconditions to progress in Africa.
- It outlines a new, more equal relationship with the industrialized countries.

A new kind of partnership

NEPAD's objectives include eradicating poverty; investing in health, education and food security; bridging the digital divide; seeking new investment and access to new markets; and promoting the role of women in all aspects of Africa's development. Africa's leaders make clear their commitments to these objectives and propose a formal mechanism to track progress and hold themselves accountable for results.

When the African plan was presented to the G8 group of industrialized countries¹ at its Summit in Genoa in 2001, the G8 welcomed this new initiative. Prime Minister Chrétien took a decisive leadership role in developing the G8's response to NEPAD: the Africa Action Plan. He also moved quickly to formalize Canada's commitment. In the federal budget tabled a few months later, the Prime Minister announced that the Government of Canada would establish a \$500-million Canada Fund for Africa. This Fund complements Canada's ongoing assistance program in Africa, which is administered by the Canadian International Development Agency (CIDA).

At the next summit, hosted by Canada in Kananaskis, Alberta, in June 2002, Africa was at the centre of the agenda. The G8 approved its Africa Action Plan, and Canada officially launched its Canada Fund for Africa. The Prime Minister announced a number of Canadian initiatives in support of the G8 Africa Action Plan, including initiatives under the Canada Fund for Africa.

"Across the continent, Africans declare that we will no longer allow ourselves to be conditioned by circumstance. We will determine our own destiny and call on the rest of the world to complement our efforts." — NEPAD

The Canada Fund for Africa responds to the invitation of NEPAD to build a new kind of partnership between Africans and the rest of the world. It links Canadian and African institutions, governments, communities, and businesses in relationships that are rooted in a common vision and based on mutual goals, mutual respect, and mutual accountability. Canada's efforts will focus on those countries that demonstrate a commitment to democracy, good governance, and human rights.

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The Fund is designed to support bold new initiatives and mostly large-scale programs that have a major impact on sustainable development in Africa. Driven by the priorities set out in NEPAD and developed to support the G8 Africa Action Plan, its goals are to foster innovation and economic growth, strengthen African institutions, and improve the well-being of future generations of Africans. A secretariat has been established in CIDA to manage the Fund.

The following is a brief sketch of the activities currently being supported by the Canada Fund for Africa.

¹ The G8 includes Canada, France, Germany, Italy, Japan, Russia, the United Kingdom, the United States, and the European Union.

Strengthening governance, peace and security

Africans state categorically that development is impossible in a context of conflict and insecurity and, further, that it is unrealizable without true democracy, respect for human rights, peace, and good governance.

They are committed to improving the way in which their government, volunteer, and private sector institutions are run, and NEPAD draws special attention to the need to combat corruption, increase public participation in government, and improve the quality of financial management across the board. In addition, current reforms underway to increase responsibilities at the local level, where health, education, water supply, and other social services are delivered, provide an opportunity for African municipalities to improve services to the poor and increase public participation in local government.

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CIDA is already helping a number of African countries to improve governance, especially through pan-African and regional organizations, as well as through support to civil society. NEPAD and the G8 Africa Action Plan both set the stage for more specific areas of cooperation that the Canada Fund for Africa is supporting:

- **Parliaments:** Canada's Parliamentary Centre is working with African legislatures, and research and public policy organizations to provide technical assistance to parliamentary networks and associations, increase participation of women in politics, improve financial accountability and oversight, strengthen parliamentary anti-corruption measures, enhance public access to government, and improve parliamentary administration and involvement in poverty reduction strategies (\$9 million).
- **Local governance:** The Federation of Canadian Municipalities is working with African municipalities and regional organizations to improve the ability of local governments to meet the needs of people and increase public participation and access to government (\$6 million).
- **The public service:** The Africa Capacity Building Foundation, in partnership with the Canadian Centre for Management Development, will coordinate technical assistance in economic policy analysis, financial management and accountability, national statistics, public sector management and public participation in government (\$28 million).

- **Outreach for NEPAD:** Africans are determined to involve volunteer and community-based organizations, as well as the private sector and the general public, in making NEPAD a reality. This initiative will support African efforts to build awareness, public dialogue, and the engagement of Africans in the reform program outlined in NEPAD (\$2.5 million).
- **Conflict prevention:** Canada will support the African Union's conflict resolution work by contributing to early warning systems, mediation efforts, and political coordination (\$4 million).
- **Community security:** Canada is working with members of the Economic Community of West African States (ECOWAS) to support local-level peace and security (\$15 million).

Social priorities and environment

Investing in the people of Africa is investing in its future. CIDA is already deeply committed to social development in all developing countries, having doubled its budget in health and nutrition, and aiming to quadruple its investment in basic education, the fight against HIV/AIDS, and child protection for the period 2000–2005. A significant share of this increase will go to Africa. At Kananaskis, Canada committed to further increasing its spending on basic education in Africa to a level of \$100 million a year by 2005.

Making West Africa a safer place

In Africa, conflicts often spill across borders. Africans recognize this reality, and have made significant progress in designing institutions and mechanisms at both the continental and sub-regional levels to strengthen their capacity to act where conflict, or potential conflict, causes instability on a larger scale. Joint approaches to conflict resolution involving neighbouring states, community organizations, and institutions emphasize the importance of finding regional solutions to regional problems. ECOWAS has increased its peace and security activities in West Africa since the late 1970s. In the past, Canada has helped ECOWAS and its members put in place a moratorium on the import, export, and production of light weapons, and create a Child Protection Unit to assist war-affected girls and boys. Canada, in cooperation with other donors, is expanding its partnership with the ECOWAS region in two areas:

- *Reinforcing the efforts of West African states and institutions that are committed to security sector reform in such areas as civil-military relations.*
- *Enhancing local ability to analyze, dialogue, and coordinate activities in support of peace and security, including safeguarding human rights, combating the flow of small arms, and crisis management.*

In addition, the Canada Fund for Africa supports specific objectives within NEPAD and the G8 Africa Action Plan in health, agricultural research, the management of water resources, and infrastructure:

- **HIV/AIDS:** A vaccine is one of the world's best hopes for ending this human tragedy, but only a small percentage of the world's research funds go to Africa, where 70 percent of the world's HIV-positive people live. Canada is supporting the work of the International AIDS Vaccine Initiative and the African AIDS Vaccine Partnership to strengthen African expertise and research facilities and enable them to develop vaccines most appropriate to the HIV strains prevalent in Africa (\$50 million).
- **Polio:** The world is only a few years away from eliminating polio and consigning it to history; but the polio virus is still present in a few countries, most of which are in Africa. Canada's contribution to the World Health Organization and UNICEF will help close the funding gap to meet the objective of certifying the world polio-free by 2005 (\$50 million).
- **Childhood development in refugee camps:** Refugee and returnee children face extraordinary barriers to healthy physical and psychological development. Canada is contributing \$1.5 million to Olympic Aid's SportWorks Program to support the healthy development of children in refugee camps and returnee areas and to build community capacity to provide children opportunities to engage in play, recreation, and sport that would otherwise be unavailable (\$1.5 million).



CIDA photo: David Trattles

- **Project Preparation Facility:** Canada supports the African Development Bank's efforts to help African institutions and governments develop viable projects that can attract development financing in areas such as water and energy. We will contribute to the Bank's Project Preparation Facility which will strengthen skills in project analysis, feasibility and design services and encourage project proponents to take new approaches such as private-public partnerships (\$10 million).



CIDA photo: Pierre St-Jacques

- **Agricultural research:** Canada will significantly increase its support to agricultural research in Africa through the Consultative Group on International Agricultural Research, a network of 16 centres around the world, to concentrate on increasing food production in Africa (\$40 million).

First things first: food security for Africans

Agriculture is at the very heart of African life. Most Africans live and work in rural areas; yet despite their immense natural resources, one African in three goes to bed hungry every night. The needs of small producers, especially women, who grow most of the food consumed in Africa, will be targeted through the following activities:

- *Better natural resource management and environmental protection.*
 - *Research that benefits the poor and gives them a role in designing projects.*
 - *Sustainable agriculture, including strengthening national agricultural research systems.*
 - *Support to policy, trade, and the social aspects of agriculture and food security research.*
- **Water management:** More than 300 million Africans currently lack basic access to water and sanitation, which is essential for their social and economic well-being. Canada is supporting the Global Water Partnership, African institutions, and international partners to help African organizations improve water management and access to safe water and sanitation for their citizens. This program will address key issues such as improved legislation and regulations, property rights, and the roles and responsibilities of different levels of government, and the private and volunteer sectors (\$50 million).

Supporting growth and innovation

The Canada Fund for Africa responds directly to the desire of Africans to generate new economic growth, particularly by increasing their trade and investment links with industrialized countries. As of January 2003, Canada eliminated all tariffs and quotas on imports (except dairy products, poultry, and eggs) from 48 of the world's least-developed countries, of which 34 are in Africa. This trade policy initiative will open the door for African producers, workers, and entrepreneurs, and the Canada Fund for Africa will help them cross the threshold through the following initiatives:

- **Trade:** A series of measures will level the playing field by helping Africa develop its capacity to find new markets, develop new products, and negotiate new trade agreements (\$20 million). (See breakdown in box on page 8).

Further, Africans have expressed a clear desire to access their share of capital resources that are available internationally in order to invest in their development. The Canada Fund for Africa will thus contribute to:

- **Investment:** The creation of a Canadian Investment Fund for Africa through which the Government of Canada's contribution (\$100 million) will mobilize private sector investment in commercial ventures and partnerships, including such infrastructure as transportation, water supply, and energy.



CIDA photo: Pierre St-Jacques

Bridging the digital divide

Africans are determined to harness the opportunities offered by information and communications technologies (ICTs) to accelerate economic growth, enhance education, as well as improve services to poor communities across the continent. The Fund is working with Industry Canada, which will take the lead in the following initiatives:

- **Connectivity:** The International Development Research Centre is creating a centre in Africa designed to promote connectivity and increase access and support for the creation of local content and applications in Africa (\$15 million).
- The creation of the “**Enablis**” entrepreneurial network, a private-sector-led, not-for-profit organization whose mission is to drive measurable economic development and to build self-sustaining businesses by supporting small- and medium-sized companies and entrepreneurs in African countries in their application of ICTs. Enablis will provide a combination of seed money and mentoring/coaching assistance for small- and medium-sized businesses to help link them with suppliers of ICT products and services and with organizations that support business. Enablis will also help to attract more private sector investment in ICTs in Africa and provide advice to governments on effective policies regarding ICTs, business and trade (\$10 million).
- The establishment of an **E-Policy Resource Network for Africa** to help African countries develop strategies, policies, and regulations on ICTs. Areas of focus will include e-commerce frameworks, telecommunications policy and

Levelling the playing field: Canada helps Africans compete in the global economy

- *Canada will support the Joint Integrated Technical Assistance Program of the United Nations to help African countries to better participate in the multilateral trading system and take advantage of trade opportunities (\$7 million).*
- *Canada will support the United Nations International Trade Centre and Trade Facilitation Office Canada to improve the capacity of African enterprises to do business internationally and promote their exports (\$8 million).*
- *Canada will support the establishment of the African Trade Policy Centre in partnership with the Economic Commission for Africa. This will increase the capacity of Africans to represent their interests in negotiating trade agreements, integrate trade into national economic policies, and promote trade both within Africa and with the rest of the world (\$5 million).*

regulation, Internet governance, e-government, and connectivity strategies. Support will be provided to the Economic Commission for Africa (ECA) to establish links among African institutions and governments to channel policy expertise in a variety of areas (\$10 million).

The window of opportunity

There are prospects for real change in Africa. Africans have set the stage with a plan that has the support and commitment of all countries. The world community has agreed on specific goals in health, education, poverty reduction, environmental sustainability, human rights, and other areas to achieve real and lasting human development. The donor community has refined its tools for supporting the pursuit of these goals such as improved coordination among themselves, more direct linkages between their financial contributions and results on the ground, and more effective ways to strengthen the ability of partners to manage their own development. The donor community is also mobilizing financial, intellectual, and human resources in support of NEPAD and the new era in partnerships that it represents.

Canada is strongly committed to accompanying and supporting Africans as they lead, with renewed vigour and determination, their own national and regional efforts toward sustainable development.



CIDA photo: David Trattles

Through the Canada Fund for Africa, Canada is strongly committed to accompanying and supporting Africans as they lead, with renewed vigour and determination, their own national and regional efforts toward sustainable development. The Canada Fund for Africa will support the made-in-Africa vision and objectives of NEPAD and the response of Canada's partners in the G8. With this special Fund, Canada is taking advantage of a unique moment in time, when resources, political will, and a clear and workable plan combine with a potential to change history, not just in Africa, but throughout the world.

The Canada Fund for Africa: Summary of current commitments*

	Amount in millions of dollars
Strengthening governance, peace and security	
Strengthening parliamentary system	9
Local governance	6
Public sector capacity building	28
Outreach for NEPAD	2.5
Conflict prevention	4
West African community security	15
Social priorities and environment	
AIDS vaccine development	50
Polio eradication	50
Childhood development in refugee camps	1.5
Project Preparation Facility	10
Agricultural research	40
Water resource management	50
Supporting Growth and Innovation	
Joint Integrated Technical Assistance Programme (JITAP)	7
Trade capacity building	8
Trade Policy Centre	5
Canada Investment Fund for Africa	100
Bridging the digital divide	
Connectivity Africa	15
Enablis (G8 Digital Opportunities Task Force)	10
E-Policy Resource Network for Africa	10
TOTAL	421

* Current commitments as of February, 2003



CIDA photo: Peter Bennet