



SOMMET KANANASKIS SUMMIT

CANADA  2002

**Government Response to the
Report of the Standing Committee on
Foreign Affairs and International Trade**

**Securing Progress for Africa and the World:
Canadian Priorities for the 2002 G8 Summit**



Government
of Canada

Gouvernement
du Canada

Canada 

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FOREWORD

At the beginning of Canada's year as G8 Chair, Prime Minister Jean Chrétien was firm in his commitment to a different kind of summit. The success of the Kananaskis Summit reflects this commitment.

Kananaskis, and the preparations for it, proved that summits can be an effective forum for political action and an occasion for vibrant public debate. The G8 remains a key mechanism for Canada to influence world events.

This year's G8 Summit produced several meaningful outcomes in response to the urgent global challenge of terrorism, including the *G8 Global Partnership Against the Spread of Weapons and Materials of Mass Destruction*, and the plan for *Cooperative G8 Action on Transport Security*.

Most significant was the message of hope in the *G8 Africa Action Plan*, which reflects a new partnership forged between the G8 and the progressive leaders of Africa to help bring a brighter future to the people of Africa. The Prime Minister announced significant Canadian commitments to support this unprecedented initiative: \$6 billion in new and existing resources over five years will be spent by the Government to support Africa's development.

As Her Excellency the Right Honourable Adrienne Clarkson stated during her speech on June 26, 2002 to the African leaders and Secretary-General of the United Nations, who would be in Kananaskis the next day, "We cannot live in isolation from each other's lives. And what we feel in Canada is that we want to take you into our lives, into the belief that we can be part of the greater good and that we can contribute to it."



Just like the *G8 Africa Action Plan* and the series of measures announced by the Prime Minister on June 27, 2002 in support of it, the Standing Committee on Foreign Affairs and International Trade (SCFAIT)'s substantive and thorough report reflects Canadians' desire to go beyond national borders, in a spirit of cooperation, to help foster positive changes for those in need in other parts of the world. Through cross-Canada consultations, the Committee offered an important opportunity for Canadians to speak directly to their elected representatives and to share their views and ideas for the Kananaskis Summit. The Government is confident that many of these views and ideas are reflected in the summit outcomes.

In testimonies and submissions to the Committee, one message stands out: Canada must continue to lead the way in building a new partnership for Africa's development. The Government will take up this challenge.

CHAPTER I: INTRODUCTION: FOR AN ACCOUNTABLE SUMMIT FOCUSED ON RESULTS

Recommendation 1

The Committee believes that, overall, the Kananaskis Summit must acknowledge the urgent need for coherent, broadly based multilateral approaches to global reforms, and for a reform of G8 processes in order to restrain costs and to make them more results-oriented and democratically accountable. Canada should take the lead in advocating such directions to its G8 partners. Canada should also lead by example, not only by inviting continuing parliamentary and other public input beyond the June Summit, but also by producing a full public accounting of Summit costs and outcomes. One element of that should be a performance “report card” referred to this Committee well in advance of the next G8 summit.

The Government of Canada agrees that the G8 process should be both cost-effective and results-oriented. While recognizing the need for citizens to be informed of preparations and results emanating from G8 leaders’ discussions—and more importantly to have meaningful input into these discussions via exercises such as the SCFAIT report—the Government does not believe that the democratic accountability of G8 leaders is in question.

G8 heads of state and government are the democratically elected representatives of their citizens and are accountable to them according to the laws of their countries. The Government of Canada thanks the Committee for its work: through the cross-Canada hearings and the faithful representation of the views heard throughout the Committee’s report, the participatory aspect of the democratic process was strengthened through a legitimate institution, the House of Commons. This response is part of the openness, transparency and accountability to which the Government is committed for sharing the results of the Kananaskis Summit.

The Government of Canada worked to ensure that this year’s summit focused on achieving results in as cost-effective a way as possible in the current security environment. As Chair of this year’s summit, the Prime Minister adopted a back-to-basics approach—one that sought to maximize face-to-face discussion time between leaders. By choosing Kananaskis as the meeting site and restricting delegation sizes so that all leaders could stay on site, the Prime Minister succeeded in reducing the overall length of the Summit without reducing actual discussion time. Leaders followed a focused agenda and kept to a tight, intense schedule.

Since September 11, 2001, the political climate in which G8 leaders work has changed, and security measures surrounding international meetings, such as the G8, have had to respond to increased potential threats. For the Kananaskis Summit, security measures were of the utmost importance, and the Government was committed to taking every necessary precaution to ensure the safety of leaders and delegates and of host communities and their citizens.



The Committee heard several arguments surrounding the issue of costs. On this, it is important to consider the distinction between the logistical costs of hosting the meeting, such as putting in place the necessary work facilities for delegates and media, the costs of security (which are largely affected by the assessed threat at the time of the summit) and the costs of summit outcomes, such as the G8 Africa Action Plan, and Canadian initiatives in support of these outcomes, such as the \$100 million to create an African investment fund to encourage private sector investment. Logistical costs are certainly affected by the particularities of the venue but, for the most part, are largely consistent over time. On the other hand, the costs of security can vary greatly from meeting to meeting. The final costs of the Kananaskis Summit are not yet known, as the expenditures are still being tallied. As has been done in the past, the Government of Canada will provide a full accounting of the costs of the Summit once the invoices are submitted, reviewed and settled.

This being said, it is also important to recognize the value of leaders meeting face to face for discussions on pressing issues. The Government of Canada does not believe that this can be replaced effectively by any other means. These meetings not only offer G8 leaders important time to discuss issues, but also provide a forum for leaders to take meaningful action. Summits serve as a mobilizing force like no other. The significant results from Kananaskis attest to the way that these major events marshal political and bureaucratic will and resources for outcomes that might not be possible were these countries to take action individually. Summits generate consensus among G8 countries; they provide a focus for debate and advocacy and a point of accountability. The Government welcomes the Committee's suggestion for a report on the Summit in the new year. A progress report would be a meaningful way of reporting on Canada's presidency and on where Canada and its G8 partners are in the implementation phase of summit outcomes. It could also serve as a means for SCFAIT to review the Government's progress, in the spirit of a continued commitment to openness and transparency.



CHAPTER II: ACTION TOWARD A MORE EQUITABLE AND SUSTAINABLE GLOBAL ECONOMY

Fostering Conditions for Shared Global Recovery and Advancement

Recommendation 2

- ◆ *Canada should use the G8 Summit to urge its partners to refrain from actions, such as damaging trade protectionism or deflationary monetary/fiscal measures, which could jeopardize prospects for world economic recovery.*
- ◆ *More generally, and leading by example, Canada should press the G8 to critically review their economic policies from the standpoint of whether they contribute to growth on terms that improve conditions of life for the majority of citizens, while helping to reduce gross inequities within and between the developed and developing world. In regard to the engine of global trade, Canada should encourage the negotiation of reformed international trade rules and practices that are explicitly designed to benefit the poorest people and regions, with particular attention to the needs of Africa.*



The Government of Canada is on record as supporting policies that promote economic efficiency, which increase opportunities for all of society, and policies that encourage greater equity, which increase the benefits from these greater opportunities and help people to acquire the knowledge and skills they require to access these opportunities themselves. This defines the Canadian way. The policy challenge remains finding the right balance so that the achievement of one objective does not undermine the achievement of the other. The Government will remain focused to ensure that, over the long term, greater overall prosperity can be achieved with particular attention to the needs of the most vulnerable.

The Government of Canada will continue to work with G8 partners, international financial institutions, and in broader international groupings such as the G20 to promote a more prosperous and equitable globaleconomy. This work includes building an international consensus on appropriate monetary, fiscal and structural policies for a strong and broad-based growth that benefits all. It also includes engaging in efforts to promote a more stable international financial system, through better prevention and management of international financial crises, as well as to improve the effectiveness of international institutions.

Therefore, the Government of Canada will continue to focus, as in Kananaskis, on encouraging G8 partners to adopt and support international economic policies that contribute to widely shared growth. G8 partners must also be encouraged to build upon the results of the International Conference on Financing for Development (held in Monterrey, Mexico, on March 2002) and the Kananaskis Summit by working with developing country partners to meaningfully support their efforts to improve the standard of living of their people.

Canada has traditionally supported improved market access for products from developing countries and, to help foster this economic opportunity and growth, has provided preferential tariff rates (under the General Preferential Tariff) for imports of most products from developing countries since 1974. Significant improvements to Canada's tariff treatment for products from the 48 least developed countries, of which 34 are African, were announced at Kananaskis. Effective January 1, 2003, Canada will extend duty-free and quota-free access to all imports from these countries with the exception of dairy products, poultry and eggs. This move will contribute to the development of African export opportunities and place Canada at the forefront of the G8 in having the most liberal market access regime among G8 partners.

The Government of Canada is also committed to working with our partners toward a significant reduction in global agricultural subsidies and tariffs. Not only do these have a negative impact on Canadian farmers, but they also distort global markets, undermining the capacity of farmers in developing countries to compete, even at a local level. Addressing this challenge remains a major priority for Canadian trade policy.

However, the Government also recognizes the importance of providing concrete help, in addition to supporting more competitive and better-functioning markets. As outlined in the Prime Minister's June 27, 2002 release *Canada Helps Build New Partnerships with Africa*, Canada will invest \$20 million over the next three years in three initiatives to help African countries exploit export opportunities, produce new products in demand by export markets, and build capacity, including by training personnel in African trade organizations. Eliminating tariffs and quotas alone is not sufficient to guarantee the ability of African products to penetrate and prosper in foreign markets. African goods must also be available in sufficient volume and quality and be directed to the markets that express demand. The announced funding is in addition to the \$346.5 million Canada has provided cumulatively between the fiscal year 1991/1992 and fiscal year 2000/2001 to support trade-related technical assistance and capacity building in developing countries that will help these countries benefit from trade liberalization.

Furthermore, Canada is exercising leadership in multilateral trade negotiations with a view to integrating developing countries more fully into the World Trade Organization (WTO)'s work, and will continue to promote further market access improvements for developing countries in the context of these negotiations. At Kananaskis, the Government of Canada and other G8 countries agreed to resist protectionist pressures and stressed their commitment to ensuring the successful conclusion of the Doha Development Agenda by January 1, 2005. The Government strongly believes that the agenda for the new round of global trade negotiations will contribute to real economic growth and poverty reduction in developing countries. WTO members, including Canada, will provide technical assistance to help developing countries to negotiate and implement commitments and to benefit from further trade liberalization.


In addition, Minister for International Trade Pierre Pettigrew will lead a trade mission to sub-Saharan Africa during the coming year to help encourage Canada-Africa private sector partnerships. This initiative will not only provide business opportunities but will also offer a forum for discussion regarding African and Canadian private sector challenges in Africa.



Making Assistance Effective in Realizing International Development Goals

Recommendation 3

- ◆ *Canada should propose that the G8 establish a working group on aid effectiveness and reform that would include participation by non-governmental and developing-country experts.*
- ◆ *Canada should also propose a realistic timetable for achieving the UN's target for official development assistance (ODA) of 0.7 percent of GNP [gross national product], and should lobby its G8 partners to increase substantially their level of ODA for Africa, with the objective of rapidly raising the overall level of assistance from the G8 members to that of the average of the non-G8 donor countries, currently 0.46 percent of GNP.*
- ◆ *In addition to reviewing the effectiveness of existing policies, the proposed G8 working group should be charged with responsibility for making an annual public report to summit leaders on both G8 progress in meeting the UN's GNP targets for ODA and G8 contributions to realizing the international development goals reaffirmed by recent UN summits.*



Canada has recently undertaken consultations aimed at strengthening aid effectiveness. In July 2001, Minister for International Cooperation Susan Whelan launched a public consultation around a discussion paper entitled *Strengthening Aid Effectiveness: New Approaches to Canada's International Assistance Program*. The consultation sought out the views of Canada's developing country partners, non-governmental organizations and other members of civil society and the private sector. The process culminated in the Minister travelling across Canada in September 2001 to hear over 200 presentations from interested Canadians on the issue of aid effectiveness. The Canadian International Development Agency (CIDA) will be reporting on the final results of this consultation early this fall. The Government agrees that discussions of aid effectiveness at the international level are important, and this is why the Minister for International Cooperation put this issue on the agenda for the G8 Development Cooperation Ministers' Meeting at the end of September 2002.

In addition, the Monterrey Consensus (endorsed at the International Conference on Financing for Development) and the *G8 Africa Action Plan* (adopted by G8 leaders in Kananaskis) provide useful guidelines on what is required for aid to be effective. The guidelines relate to both the kinds of policies that developing countries must implement to foster sustainable development—including the economic, social, environmental and governance aspects—and how donors should best support these countries.

Since the Genoa Summit in 2001, Personal Representatives for Africa (APRs) have completed six meetings working toward the *G8 Africa Action Plan*. Aid effectiveness has been an important part of their discussions. The *G8 Africa Action Plan* includes a section on improving the effectiveness of ODA and strengthening ODA commitments for enhanced-partnership countries. This includes ensuring effective implementation of the OECD Development

Assistance Committee (DAC)'s recommendations on untying aid to least developed countries, implementing the OECD agreement to ensure that export credit support to low-income countries is not used for unproductive purposes, supporting efforts within the DAC to reduce aid management burdens on recipient countries and lowering the transaction costs of aid. In addition, G8 leaders have committed to taking all necessary steps to implement the Monterrey pledges, including increasing ODA levels, reevaluating aid effectiveness and, finally, reviewing annually progress made toward achieving in Africa the development goals contained in the UN Millennium Declaration.

The work of the APRs will continue leading up to the next summit in France in 2003, where G8 leaders will receive a final report on implementation of the *G8 Africa Action Plan*. Given the work that has already been done by the APRs, this group is well situated to continue addressing issues such as aid effectiveness. This will remain a priority issue for Canada as work continues toward implementing the Action Plan. A particular concern is how the G8 can work better together to maximize the impact of aid dollars and minimize the bureaucratic burden of aid on recipient governments.

At Monterrey, the G8 announced significant increases in ODA, which will amount to US\$12 billion per year by 2006. At Kananaskis, the G8 agreed that 50 percent or more of that figure—US\$6 billion per year by 2006—could be directed to African nations that embrace and implement the principles of the New Partnership for Africa's Development (NEPAD), defined as promoting peace and security, good economic and political governance, and human rights.

Canada took immediate action at Kananaskis to implement the G8 Africa Action Plan. The Prime Minister announced significant resources to support the Action Plan with commitments representing \$6 billion in new and existing resources over five years for Africa's development.

Also at the international level, the OECD's Development Assistance Committee currently fulfills the task of publicly reporting on ODA levels. The United Nations will be preparing an annual report on progress toward meeting the Millennium Development Goals, with support from the World Bank and the International Monetary Fund (IMF).

Recommendation 4

- ◆ *Canada should urge the G8 to work with others toward fully funding and expanding the Global Fund for AIDS, TB and Malaria, with a focus on health infrastructures in the poorest areas, and to establish annual implementation targets for results.*
- ◆ *Similarly, Canada should push for increased G8 support for basic public education in the poorest countries, annual reporting targets on outcomes, the elimination of user fees and vigilance against other impediments to universal access.*
- ◆ *In regard to information and communications technology initiatives to bridge the "digital divide," such as the DOT [Digital Opportunity Task] Force, Canada should work with others to ensure that benefits can ultimately reach down to the level of the poorest people who have had the least access to such technologies.*



In order to address the needs of Africa, the Government of Canada recognizes the fundamental need to address issues of health care, education and access to information technology on that continent, as well as the need for good governance, respect for human rights, and peace and security.

The Government of Canada is committed to promoting better health in developing countries. In keeping with this commitment, it has pledged to double spending on health and nutrition in developing countries from \$152 million to \$305 million per year, for a total five-year investment of \$1.2 billion. Funding for HIV/AIDS will quadruple over a five-year period (2000 to 2005), increasing from \$20 million to \$80 million, for a total investment of \$270 million.

At the 2001 Genoa Summit, G8 leaders and the UN Secretary-General announced their commitment to create a public-private partnership to finance effective activities to combat AIDS, tuberculosis and malaria. The Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) was officially established, with headquarters in Geneva, to help prevent and treat these infectious diseases by mobilizing additional resources to strengthen health systems and pay for much-needed drug products and other commodities. To date, just over US\$2.1 billion in pledges to the GFATM have been confirmed, including Canada's commitment in July 2001 of US\$100 million. It was announced on July 8, 2002 that the GFATM's initial multi-year grants will make it possible for six times as many people in Africa to receive anti-retroviral treatment over the next five years. This catalytic start signals the substantial contributions to both prevention and treatment programs that the GFATM will make in future as additional donor resources are provided.



Approximately 60 percent of the recent proposals approved by the Global Fund to Fight AIDS, Tuberculosis and Malaria have been for projects in Africa. This proportion is lower than the burden of disease born by the continent, likely due to lack of existing capacity in the majority of African countries. G8 countries need to work with African countries to help build the necessary capacity to deliver sustainable health care. As this capacity develops and as GFATM demonstrates successes with its initial projects, the Government of Canada is confident that donors, including Canada, will increase their commitments to this important fund. GFATM's executive director, Richard Feachem, similarly stated in a press release issued July 9, 2002 that "to succeed, the amount of money spent must be dramatically increased. And for funding to increase, we must continue to demonstrate that we can quickly and strategically get these funds to programs that are making an impact." In the *G8 Africa Action Plan*, G8 leaders committed to supporting African efforts to build sustainable health systems in order to deliver effective disease interventions. This assistance would include supporting and encouraging the twinning of hospitals and other health organizations between G8 and African countries.

The *G8 Africa Action Plan* identifies improving health and attacking HIV/AIDS as major priorities for Africa. The plan contains specific commitments on combatting HIV/AIDS, accelerating the elimination and mitigation of polio, river blindness and other diseases, and supporting health research.

At the Kananaskis Summit, the Prime Minister announced a contribution of \$50 million to the development of an HIV vaccine for Africa. In addition, \$50 million was pledged to support the eradication of polio by 2005 in cooperation with the World Health Organization and UNICEF.

Investing in basic education, particularly the education of girls, has lasting economic, social and cultural benefits to the global community as a whole. Education can promote tolerance, understanding and respect for democratic principles; it can be instrumental in building peaceful and stable societies; and it is a powerful tool in advancing economic prosperity and sustainable development.

At the G8 Summit in Genoa in July 2001, leaders reaffirmed their commitment to the Dakar Framework for Action. They noted in particular the importance of achieving the goals of universal primary education and equal access to education for girls, within the context of the Education for All (EFA) process. They then mandated a task force of senior officials to advise them on how best to achieve these goals.

In Kananaskis, G8 leaders endorsed the recommendations of the task force, which were developed following extensive consultations with developing countries, relevant international organizations, civil society organizations and other donors. The task force concluded that achieving the goals of universal primary education and gender equality in education depends on three factors:

- ◆ First and most critically, developing countries themselves must be committed to education. Political leadership, sound education plans and adequate domestic resources are essential to achieving progress.
- ◆ Second, there is a need for increased, predictable and more effective assistance from the donor community and a more coherent international effort to guide the EFA process.
- ◆ Third, better assessment and monitoring of results is required at the national and international levels.

The G8 committed itself to significantly increasing support for basic education in countries demonstrating a strong policy and financial commitment to the sector. The G8 also welcomed a plan put forward by the World Bank to accelerate progress toward the goal of universal primary education and called for a meeting of donors in November 2002. Canada has agreed to co-chair this meeting.

A significant outcome of the task force was the pledge by G8 members to make public the steps taken to fulfill the commitment to increase bilateral assistance for basic education. Canada, for example, will quadruple its spending on basic education between 1999 and 2005 to \$555 million. In Kananaskis, the Prime Minister pledged that Canada will also double its spending on education in Africa to \$100 million by 2005.

Developing countries have lagged considerably in accessing and using new information and communication technologies (ICT)—technologies that had a significant impact on economies and life in the industrialized world. The Government of Canada agrees that ICTs are a strategic social and economic development tool that can help countries improve their citizens' quality of life through better delivery of social and cultural services, improved governance and a stronger and more competitive economy. The Digital Opportunity Task Force was created with the release of the *Okinawa Charter on Global Information Society* at the Okinawa



Summit in 2000. The work of the DOT Force was presented to leaders in Kananaskis, where the Government of Canada announced \$35 million to support African initiatives that expand the use and benefits of new ICTs.

Working Toward International Financial Reforms, Debt Relief and Stability

Recommendation 5

Canada should promote within the G7 substantial additional debt relief for the poorest countries linked to effective G7 support for improvements in transparent and democratically accountable governance, anti-corruption measures and the implementation of credible long-term poverty reduction strategies in those countries.

In trying to achieve economic prosperity, unmanageable debt can be crippling. The Government of Canada has approached this issue—which affects many least developed countries (LDCs)—through the enhanced Heavily Indebted Poor Countries (HIPC) Initiative and through providing additional relief beyond that guaranteed by the HIPC Initiative. To date, 26 countries (22 in Africa) are benefiting from HIPC debt relief, which will amount to US\$40 billion in net present value terms—or almost two thirds of their total debt. This debt relief is enabling an important shift of resources toward education, health and other social and productive uses.

However, as outlined in the G8 Africa Action Plan and the statement on the HIPC Initiative issued by G7 leaders at the Kananaskis Summit, debt relief alone, no matter how generous, cannot guarantee fiscal solvency, long-term economic growth and social development. Good governance, prudent new borrowing and sound debt management by heavily indebted poor countries, as well as responsible financing by creditors, are also essential elements of the policy framework needed to achieve these goals. Once countries exit the HIPC process, it is hoped that they will be able to maintain sustainable debt burdens and not require any further debt relief. As the expected financing needs of the Initiative have not yet been fully met, G8 leaders are also committed to funding their share of the projected HIPC shortfall, recognizing that this could be up to US\$1 billion.

Canada is a leader in providing debt relief. The Government of Canada has forgiven more than \$1.3 billion in Official Development Assistance debt owed by 46 developing countries since 1978. This includes all of the ODA debt by 22 heavily indebted poor countries at a cost of \$900 million. Canada was also one of the first countries to propose 100-percent bilateral debt reduction for countries completing the HIPC process. Today, many other creditors now provide such relief, over and above what is required through the HIPC process.

In addition, at the annual meetings of the IMF and World Bank in Prague in September 2000, Canada called on all bilateral creditors to stop collecting debt payments from heavily indebted poor countries that are committed to reform through peaceful development and good

governance. On December 19, 2000, the Government followed through on this proposal and unilaterally announced Canada's decision to stop collecting debt repayments from these countries. This moratorium will enable poor countries to focus on helping their people rather than repaying creditors; it will continue as long as these countries remain committed to reform. When they complete their HIPC programs, the Government will write off the debts they owe to Canada.

Recommendation 6

Canada should continue to provide leadership within the G7 on improving international mechanisms for the management of international financial crises and the aversion of recurrent and future crises, including through the establishment of an independent international bankruptcy court. In the context of a G7 action plan on financial stabilization, Canada should support a feasibility study of a Tobin-style currency transaction tax. Canada should also push for more effective implementation of OECD conventions and other international instruments in order to combat bribery, corruption and the exploitation of transnational financial networks for criminal purposes, and to put an end to tax evasion, notably that based on the existence of tax havens.

In order to better address financial crises in emerging markets, G-7 finance ministers and central bank governors adopted an action plan in April 2002. The elements of the plan, developed during this year of Canada's G7 / G8 Presidency, will strengthen financial crisis prevention and management by enhancing predictability for emerging markets and private-sector investors. The plan calls for greater adherence to access limits on official lending (primarily by the IMF) in crisis situations, and the development and inclusion of contingency clauses in sovereign debt contracts. These clauses would spell out how debt restructuring would occur, including the possibility of declaring a temporary payments standstill. The plan also calls for further improvements in surveillance and the quality, transparency and predictability of decision making, as well as for further work at the IMF toward a Sovereign Debt Restructuring Mechanism that would have the features of national bankruptcy regimes that are relevant to international debt crises.

Canada supports further study of a possible global tax on currency transactions (a "Tobin" tax). The goal would be to find ways to address the various challenges associated with the implementation of this type of tax. Principal among these are the difficulty in preventing evasion, on a geographic basis or through derivatives, and the need to discourage speculative flows while facilitating commercial cross-border trade and investment activities.

Following the events of September 11, 2001, G7 finance ministers issued an *Action Plan to Combat the Financing of Terrorism* in October 2001 and made a firm commitment to work with the international community to achieve substantive results. After the G7 finance ministers' meeting in Halifax in June 2002, finance ministers stated that the Action Plan has served to foster international cooperation to stop the flow of funds to terrorists, protect the international financial system from abuse and enhance transparency.



Looking Beyond Growth: Promoting Justice and Sustainability

Recommendation 7

Canada should urge that, in responding to the challenges of economic globalization, measures considered by the G8 take into account positive or negative impacts on progress toward realizing international human rights, social, cultural and environmental goals.

Canada is well regarded by the international community for a strong commitment to the promotion and protection of human rights, democracy and the rule of law. Because of this commitment, Canada has been able to establish a solid reputation at home and abroad and to carve out a role for itself in pushing for greater international observance of human rights, democratic governance and human security.

The Government of Canada therefore wholeheartedly endorses the value statement inherent in this recommendation. The Government recognizes the need to constantly reiterate that, while pursuing foreign policy interests, Canadians have an interest in a world that is more just, prosperous and secure, where human rights, cultural diversity and democratic development are promoted and protected, and where the environment is protected for future generations.

CHAPTER III: ACTION TOWARD A NEW PARTNERSHIP FOR AFRICA'S DEVELOPMENT

Ensuring a Constructive G8 Response to Africa and to NEPAD as a Work in Progress

The Committee remains confident that success under Canadian leadership is achievable at Kananaskis, and that the NEPAD process, however imperfect, must be given a chance to work in conjunction with a constructive ongoing G8 response. At the same time, we acknowledge the many serious criticisms made in the course of our hearings in regard to G8 policies toward Africa and in terms of perceived deficiencies in the NEPAD framework. These need to be addressed through open dialogue and bold actions by leaders both within the G8 and Africa.

The Government of Canada believes that by adopting the *G8 Africa Action Plan*, which contains over 100 specific commitments in critical areas, Canada, along with G8 partners, has taken a strong first step toward changing the way Africa and the rest of the world work together. The failure of Africa to achieve most of the Millennium Development Goals, let alone secure its development, underlines dramatically the need for this change.

The ultimate purpose of the “new partnership” that has emerged at Kananaskis is to put in place the conditions necessary to ensure, over the medium and long term, that Africa receives a greater share of financial resources, public and especially private. This is essential to reduce Africa’s extreme poverty and promote sustainable development.

What is different about the “new partnership” is mutual commitments and responsibilities. For Africa, this means progressive African leaders and countries implementing NEPAD principles. African leaders have acknowledged that financial resources, while important, are not sufficient to change development trends, and that successful development is not possible in the absence of peace, good governance and human rights. For the G8, this means supporting NEPAD through financial and other means, in company with those African countries that are implementing NEPAD. Implementation will be an enormous, long-term challenge for Africa, the G8, other donor countries and the rest of the international community. A continent’s decline through several decades is not reversed overnight.

The Prime Minister announced in Kananaskis that Canada will commit \$3 million over three years to support outreach initiatives in Africa that increase awareness of the principles and objectives of NEPAD, promote public dialogue on the partnership and reform agenda outlined in NEPAD, and generally promote engagement of African civil society with their governments.

G8 leaders are committed to implementing the *G8 Africa Action Plan*. The mandates of Personal Representatives for Africa have been extended for an additional year. The Action Plan remains a priority for the coming year, and leaders will review progress at the next summit in France in 2003.



Canadian Leadership on Eight Elements for an Effective G8 Action Plan for Africa

1. Peacebuilding as a Condition for Sustainable Human Development

Recommendation 8

Canada should press for a G8 Action Plan that takes a long-term, integrated approach to Africa's peace and security challenges and that devotes particular attention to:

- ◆ *stricter multilateral controls on illicit arms transfers and the trade in small arms, starting with a G8 system of controls and restrictions for automatic light weapons;*
- ◆ *implementation of a strengthened process around the trafficking in, among other resources, diamonds used to finance conflicts;*
- ◆ *promotion of enforceable codes of commercial conduct especially in zones of conflict;*
- ◆ *assistance for conflict prevention, conflict resolution and post-conflict rehabilitation, including reintegration of refugees and displaced persons.*

In the *G8 Africa Action Plan*, leaders committed to supporting efforts by African countries and the United Nations to better regulate the activities of arms brokers and traffickers and to eliminate the flow of illicit weapons to and within Africa. This commitment includes developing and adopting common guidelines to prevent the illegal supply of arms to Africa and providing assistance in regional transborder cooperation to this end.

As in NEPAD, G8 leaders committed to working with African governments, civil society and others to address the linkages between natural resource exploitation and conflict. This includes supporting voluntary control efforts, such as the Kimberley Process for diamonds, and encouraging the adoption of voluntary principles of corporate social responsibility (CSR) by those involved in developing Africa's natural resources.

G8 countries have an important role to play in fostering debate on and supporting CSR initiatives. Several Canadian government departments are active in promoting and developing the CSR agenda and are committed to finding the optimal mix of policy instruments—information, voluntary, economic and regulatory instruments to produce a marketplace framework and related governance structure that permits corporate initiatives on CSR at both the domestic and international levels. The CSR agenda recognizes that companies operating in conflict zones represent a special case, and that this requires special voluntary instruments and understanding of best practices to promote activities consistent with international CSR principles.

To that end, Canada will continue to work with G8 and other governments to better coordinate work on business and conflict prevention issues that is ongoing in multilateral forums such as the OECD Development Assistance Committee and the United Nations. The Government will also continue to explore the feasibility of participating in voluntary initiatives on issues such as the promotion of transparency and human rights. These efforts are consistent with *G8 Africa Action Plan* commitments to working with African governments, business, civil



society and others to address the linkages between natural resource exploitation and conflict. This includes supporting the voluntary adoption of principles of CSR and sustainable development by those involved in developing Africa's natural resources.

All too often, progress in Africa has been undermined by conflict. G8 leaders stated in the *G8 Africa Action Plan* their commitment to making conflict prevention and resolution a top priority. This includes supporting African efforts to resolve the principal armed conflicts on the continent, through measures such as assisting with programs of disarmament, demobilization and reintegration, and endorsing the UN Secretary-General's proposals to set up contact groups and similar mechanisms to work with African countries to resolve specific African conflicts. In addition, the *G8 Africa Action Plan* includes a commitment to provide technical and financial assistance to enable African countries and regional and subregional organizations, by 2010, to engage effectively to prevent and resolve violent conflict on the continent and undertake peace support operations in accordance with the UN Charter.

G8 leaders also committed to providing more effective peacebuilding support to societies emerging from or seeking to prevent armed conflicts. As well, they committed to helping to build African capacities to protect and assist war-affected populations and to facilitate the effective implementation in Africa of UN Security Council resolutions relating to civilians, women and children in armed conflict. These efforts include supporting African countries that are hosting, assisting and protecting large refugee populations.

To support peace and security in Africa, the Prime Minister announced in Kananaskis \$4 million over three years to strengthen the new African Union's conflict resolution mechanisms. In addition, Canada will commit \$15 million over three years for institution building with the 15-member Economic Community of West African States.



2. Providing Aid that Benefits the Poorest

Recommendation 9

- ◆ *Canada should press for a G8 Action Plan that both establishes firm time frames for substantially increasing development assistance to Africa, and does so on a basis that takes the credible evaluation of poverty reduction effectiveness as seriously for donors' policies and practices as it does for recipients' adherence to these goals. Canada should ensure that its recently created fund for Africa is additional to existing Canadian ODA to Africa, while urging G8 partners to make similar commitments beyond their current aid levels.*
- ◆ *G8 assistance should also seek, in a consistent and coordinated way, to build permanent African capacities which can be truly owned by Africans. Food production, rural infrastructure, basic public health and education should be among the priorities for well-governed development programs.*

The Government of Canada committed \$500 million for the Canada Fund for Africa. This fund will support the objectives outlined by African leaders in NEPAD, as well as the initiatives outlined in the *G8 Africa Action Plan*.

As the Prime Minister announced in Monterrey, Canadian international assistance levels will almost double by the end of the decade through yearly 8 percent increases, of which at least half will be earmarked for Africa. In total, ODA increases announced by leaders at Monterrey will represent an additional US\$12 billion per year by 2006. The G8 has also stated that, assuming African countries implement NEPAD, half or more of this new development assistance could be directed to African nations that govern justly, invest in their people and promote economic freedom. This will help ensure that countries genuinely committed to poverty reduction, good governance and economic reform are not denied the chance to achieve the Millennium Development Goals due to lack of finances. It is imperative that the public consultation in Africa on NEPAD be undertaken by Africans.

In addition, Canada will meet its international commitments at the OECD to untie certain categories of aid. Of particular relevance to Africa is Canada's intention to open select development projects to competitive bidding in sub-Saharan countries; this will give successful local suppliers the opportunity to develop expertise in delivering development projects. Canada will also work to ensure that Canadian development programs use more effective approaches based on the strategies and priorities articulated by developing countries and on well-coordinated support from international partners.

G8 leaders committed to improving the effectiveness of ODA and strengthening ODA commitments for enhanced-partnership countries. Work will include ensuring effective implementation of the OECD Development Assistance Committee's recommendations on untying aid for non-food items to least developed countries, implementing the OECD agreement to ensure that export credit support to low-income countries is not used for unproductive purposes, and supporting efforts within the DAC to reduce aid management burdens on recipient countries and lower the transaction costs of aid. In addition, G8 leaders have committed to taking all necessary steps to implement the Monterrey announcements, including ODA increases and aid effectiveness, and to annual reviews of progress toward achieving in Africa the Development Goals contained in the UN Millennium Declaration. As outlined in the response to Recommendation 3, aid effectiveness will continue to be a priority for Canada in the *G8 Africa Action Plan* process.

3. Supporting Public Health and Education Priorities

Recommendation 10

Canada should press for priority attention in the G8 Action Plan to:

- ◆ *address the HIV/AIDS crisis through a range of measures, including education and prevention, increasing support for the Global Health Fund, and improving access to affordable medicines;*

- ◆ *support a TRIPS [trade-related aspects of intellectual property rights] solution at the WTO to remedy the situation of drug-importing African countries, while respecting patent protection laws;*
- ◆ *encourage internationally coordinated efforts among public health research groups in order to advance research on tropical diseases;*
- ◆ *invest in health infrastructure development in areas of greatest need;*
- ◆ *invest in inclusive basic education initiatives in the poorest countries;*
- ◆ *set out specific outcome-based targets for meeting both public health and education goals.*

As outlined in the Government's response to Recommendation 4, at present over US\$2.1 billion in pledges to the Global Fund to Fight AIDS, Tuberculosis and Malaria have been confirmed, including Canada's commitment to US\$100 million announced in July 2001.

In Kananaskis, the Prime Minister announced \$50 million toward the development of an HIV vaccine for Africa and other Africa-based HIV/AIDS health research. In addition, the Government dedicated \$50 million to support the eradication of polio by 2005 in cooperation with the World Health Organization and UNICEF, and the World Health Organization and by challenging our public and private partners in the Global Polio Eradication Initiative to eliminate the disease by 2005.

At the Kananaskis Summit, leaders committed in the *G8 Africa Action Plan* to supporting African efforts to build sustainable health systems that can deliver effective disease interventions. Support will include continued work with the international pharmaceutical industry, affected African countries and civil society to promote the availability of an adequate supply of life-saving medicines in an affordable and medically effective manner. G8 leaders committed in the *G8 Africa Action Plan* to combatting diseases prevalent in Africa by expanding research and by maximizing the capacity of research resources in Africa.

In addition, the *WTO Declaration on the TRIPS Agreement and Public Health*, adopted in Doha in 2001, confirms that the Agreement has the flexibility to allow countries to take measures to address public health problems and promote affordable access to medicines. Members also recognize that intellectual property protection is important for the development of new medicines. Work is continuing to find solutions for countries with limited manufacturing capacity that need to deal with public health epidemics such as HIV/AIDS, tuberculosis and malaria. Most importantly, these initiatives must run parallel to capacity-building initiatives in order to ensure adequate systems to deliver and monitor drug usage, as well as direct and alternative mechanisms to finance drug purchases.

As outlined in the response to Recommendation 4, the Government of Canada firmly believes that basic education is an essential element of a comprehensive approach to sustainable development. The interdependence between education and other development objectives, such as health, further reinforce the centrality of education in the development process.



4. Reforming International Trade, Investment and Finance

Recommendation 11

Canada should promote inclusion within the G8 Action Plan of commitments on international economic reforms, specifically:

- ◆ *to open their markets to Africa's exports by removing tariff and non-tariff barriers to trade on the broadest possible basis, especially for the least developed countries;*
- ◆ *to reform WTO agricultural trade rules paying particular attention to the needs of Africa's small food producers, and envisaging the establishment of a stabilization-insurance-type mechanism which would assure them of a decent income;*
- ◆ *to consider implementation of enforceable international business investment standards with credible monitoring and reporting mechanisms;*
- ◆ *to significantly enhance African capacities to negotiate more favourable terms within trade, investment, debt and finance agreements, and to increase their representation in the governing structures of international economic organizations;*
- ◆ *to provide faster and fuller debt relief than has been achieved so far under the HIPC process for the poorest African countries which have demonstrated a commitment to respect democratic rights and pursue poverty-reducing development priorities;*
- ◆ *to encourage greater use of international financial assistance for micro-credit initiatives that reach the poorest people.*



Trade is an essential component in building strong, vibrant African communities that will be able to respond to the needs of their citizens. As outlined in *Canada Helps Build New Partnerships with Africa*, experience has shown that trade can be a powerful engine of growth and poverty reduction in developing countries as it generates foreign exchange, attracts foreign investment, creates jobs and improves competitiveness. Following Canadian consultations between March and May 2002, the Government announced that it will extend duty-free and quota-free access to all imports (except dairy products, poultry and eggs) from 48 least developed countries, of which 34 are in Africa, starting January 1, 2003. This means that all imports originating from these countries will be assessed at a tariff rate of zero and all quotas on subject products will be eliminated.

The G8 will work through the Doha Development Agenda to further expand market access and reduce overall tariff levels on a multilateral basis. A specific priority is the agriculture negotiations aimed at reductions, with a view to phasing out, of all forms of export subsidies, substantial reductions in trade-distorting domestic support, and substantial improvements in market access.

In the Doha Ministerial Declaration, WTO members agreed that special provisions for developing countries, including African members, "shall be an integral part of all elements of the negotiations" on agriculture, in order to enable them "to effectively take account of their development needs, including food security and rural development." Canada believes that the aim of this flexibility should be to help developing countries make the transition to full and

beneficial participation in a fair and market-oriented agricultural trading system. The establishment of such a system is the long-term objective of the WTO Agreement on Agriculture. Existing WTO rules on agriculture provide ample flexibility for all members to implement income support programs, including income insurance and disaster relief payments, providing that they have no, or at most minimal, trade- and production-distorting effects. In this regard, Canada is willing to consider enhanced “Green Box” provisions for developing countries, which would address their specific concerns regarding food security, rural development and poverty eradication. As negotiations progress, Canada will continue to work openly and constructively with developing countries, including African members of the WTO, to ensure that the path to reform responds to the needs and interests of all WTO members.

Agriculture is at the very heart of African society, and the majority of Africans work and live in rural communities. To ensure the growth of the continent’s economy, Africans must have access to sustainable food supplies. African leaders identified three priority areas for agricultural support in NEPAD: agricultural productivity, the institutional and regulatory framework, and environmental sustainability. They also identified the Consultative Group on International Agricultural Research as a major player in providing enhanced support. As recognized by G8 leaders in the *G8 Africa Action Plan*, increased agricultural production, efficiency and diversification are central to the economic growth strategies of these countries. To promote increased agricultural productivity in Africa, G8 leaders committed to making support for African agriculture a higher international priority in line with NEPAD’s framework and priorities, to improving sustainable productivity and competitiveness by working with African countries to reduce poverty, and to improving food security in Africa.

In support of these initiatives, Canada will double its core investment by an additional \$40 million over three years for Africa-related programming through the Consultative Group on International Agricultural Research. Canada’s support will enable this network of 16 research centres around the world to concentrate on the special needs of small farmers and women producers, who are central to African agriculture. Canadian support will be directed to programs in the following areas:

- ◆ sustainable agriculture in Africa including environmental protection and natural resources
- ◆ management;
- ◆ African research which addresses the food security objectives of the poor;
- ◆ national agricultural research systems, including African research networks; and
- ◆ policy, trade and social dimensions of agriculture and food security research in Africa.

On a broader scale, Canada will invest \$20 million over three years in three initiatives to help African countries identify export opportunities, produce new products in demand by export markets, and build capacity, including by training personnel in African trade organizations. Eliminating tariffs and quotas alone will not guarantee that African products will penetrate international markets. By seeking further opportunities to address agricultural issues, the Government believes it can be more successful in addressing obstacles encountered by African farmers and help to ensure a fair return on their investments.



The boards of the IMF and World Bank consist of equal numbers of executive directors from developing and developed countries. Efforts have been made in recent years to ensure that developing countries have a strong voice within these institutions. For example, the offices of executive directors from developing countries representing large constituencies now have more staff. As well, the Poverty Reduction Strategy Process has been introduced to provide developing countries with the opportunity to design and implement their own development strategies.

G8 leaders recognize the importance of working with African counterparts to develop a framework that enhances and encourages both foreign and domestic investment in Africa. Fundamental to this partnership are strengthened institutions and governance, outlined in both NEPAD and the *G8 Africa Action Plan*. Canada is participating, through CIDA, in the World Bank program entitled Strengthening Developing Country Governments' Engagement with Corporate Social Responsibility (CSR). The goal of the program is to ensure that developing countries' investment climates promote socially responsible corporate behaviour, ensuring that more of the benefits reach the poorest people and lead to sustainable development. The objective is to improve the enabling environment for CSR and its impact in five countries working on particular CSR issues (Angola, Cote d'Ivoire, El Salvador, Philippines and Vietnam).

Increasingly, the private sector is being challenged to be transparent as well as fiscally, socially and environmentally responsible in its investment activities. Meeting this challenge is particularly difficult in many parts of Africa, where existing economic, social and environmental frameworks are weak. CSR initiatives such as the OECD Guidelines for Multinational Enterprises and the Global Compact provide companies with guidance in anticipating and mitigating risk and assistance in ensuring that their investments contribute positively to the communities in which they do business. G8 countries have an important role to play in supporting such initiatives.

As indicated in the response to Recommendation 8, in addition to encouraging companies active in the region to further incorporate CSR principles into their management systems, the Government of Canada will continue to work with the private sector and other stakeholders to further develop, refine and implement best practices with respect to CSR. These voluntary mechanisms allow the Government to promote higher standards of responsible conduct internationally without resort to extraterritorial application of its legal jurisdiction. This approach is also more flexible than the development of a cost regulatory framework and builds upon the initiatives already under way in the private sector.

As outlined in the response to Recommendation 5, the Government is approaching the issue of debt in least developed countries by providing assistance through the HIPC Initiative to enable countries to reach sustainable levels of debt and, subsequently, reduce their poverty levels. Canada is a leader in providing debt relief and, to date, has contributed \$240 million to the multilateral HIPC Trust Fund. Canada has put in place a moratorium on debt repayments from HIPC countries that are reforming and committed to peaceful development and good governance. Once the countries reach the HIPC completion point, their debts to Canada will be written off.

As a part of the *G8 Africa Action Plan* and as a way to help attract investment to Africa, G8 leaders committed to supporting African initiatives aimed at fostering efficient and sustainable regional financial markets and domestic saving and financial structures, including micro-credit schemes, with particular focus on meeting the needs of the poor. CIDA has supported micro-finance and micro-enterprise development through its work to increase the accessibility of financial and non-financial services to the poor, with special emphasis on women, and by ensuring that the poorest of the poor are included among the beneficiaries.

5. Improving Democratic Governance and Fighting Corruption

Recommendation 12

Canada should work toward an Action Plan that incorporates shared responsibility, rather than one-sided conditionality, with measures aimed at genuine democratic governance reforms in Africa, including independent judiciaries, and at meeting the expectations raised by NEPAD's peer review mechanism. In setting high standards, the G8 should lead through their own compliance with multilateral good governance and anti-corruption norms such as those of the OECD. G8 assistance should focus on strengthening both state and civil society capacities with the aim of achieving sound, transparent public administration that is democratically accountable. Further to that, consideration should be given to a joint G8-African Union interparliamentary initiative to strengthen legislative oversight capabilities.

As stated by African leaders in NEPAD, “development is impossible in the absence of true democracy, respect for human rights, peace and good governance.” G8 leaders agreed entirely with this principle of good governance as a precondition for fostering sustainable economic and social conditions for the people of Africa. Only by meeting these principles will Africans truly succeed in addressing the challenges facing the continent.

To help African governments achieve the political governance objectives outlined in NEPAD, G8 leaders committed in the *G8 Africa Action Plan* to supporting these initiatives by expanding capacity-building programs related to political governance in Africa, supporting African efforts to ensure that elections are credible and transparent, supporting African efforts to involve parliamentarians and civil society in governance, and supporting the reform of the security sector by helping to develop an independent judiciary and democratically controlled policy structures—all in accordance with the objectives set out by Africans in NEPAD. These objectives represent standards that African countries have set for themselves and, in working to achieve these standards, have asked G8 countries to use as the basis of forging new long-term partnerships.

Africans proposed the peer review mechanism as an integral part of NEPAD. The peer review mechanism offers a unique opportunity to establish long-term enhanced partnerships between countries based on meeting the standards set out by NEPAD and agreed to in the *G8 Africa Action Plan*. G8 leaders are committed to continuing to help countries that have not yet met but are working toward meeting the standards. However, G8 leaders have also firmly stated that they will not work with African governments that do not respect the interests and dignity of their people.



The Government of Canada believes in the importance of promoting and protecting human rights and strengthening democracy and institutions. Activities to this end already make up the second largest of CIDA's programming areas. Canada's commitment is reflected in the Prime Minister's announcement in Kananaskis of contributions such as the \$28 million over three years to help improve public sector competencies in African countries committed to improving governance, the \$9 million to strengthen the role of the parliamentary system in countries committed to political reform (which will include an active role for African and Canadian parliamentarians), and the \$6 million to help improve local governance by working with African partners to develop new approaches to providing basic community necessities such as water, sanitation and health care.

6. Making Development Environmentally Sustainable

Recommendation 13

Canada should work to ensure that the Africa Action Plan includes environmental sustainability as an essential component of economic recovery and development. Specific attention should be devoted to:

- ◆ *sustainable utilization of resources, building on the positive example and best practices from projects of this kind already being carried out in some African countries;*
- ◆ *access to safe water especially for the rural areas;*
- ◆ *sharing of knowledge on African ecosystems;*
- ◆ *affordable renewable energy alternatives;*
- ◆ *responsibility for climate change impacts;*
- ◆ *multilateral agreement on environmental and social impact standards, with provision for transparent public assessment and enforcement procedures, especially for large-scale infrastructure and resource extraction projects.*

In addition, leaders should consider ways to promote concrete G8-African Union follow-up on objectives to be addressed by the World Summit on Sustainable Development taking place this September in South Africa.

In addition to addressing social and economic sustainability, the *G8 Africa Action Plan* deals with environmental sustainability, particularly in relation to water and agriculture as discussed in the response to Recommendation 11.

Access to clean, safe water supplies is of great importance in addressing many of Africa's problems from health care and sanitation to agriculture. Such access is especially important in improving the quality of life of women and girls, who not only spend significant amounts of time carrying water but are also major providers of agricultural labour, health care and, especially, care for their families. To address this need, G8 leaders agreed to support African efforts to improve water resource development and management. For its part, Canada is allocating \$50 million over three years to support these efforts. In addition, Canada committed

\$6 million to strengthening institutions and governance and to helping improve local governance by working with African partners to develop new approaches to providing basic community necessities such as access to water. Canada also committed \$10 million to collaborating with the African Development Bank to support the *Project Preparation Facility for Africans*, which helps develop financially viable and environmentally sustainable water and energy infrastructure projects.

The provision of modern energy services can play an important role in generating income, improving the quality of life and reducing poverty in developing countries. It is also a key input to all forms of industrial activity. Recognizing the important role that renewables can play in a developing country's energy mix, CIDA has spent \$191 million on renewable energy projects, \$50 million of which was targeted toward non-hydroelectric renewable energy during the period 1991/1992 to 2001/2002.

Canada believes climate change is a global problem that must be addressed on a multilateral basis. Canada's efforts to address climate change will continue to include working with developing country partners. In the Marrakesh Accords, Canada pledged to provide \$10 million to the newly established least developed countries fund, to assist these countries (most of which are in Africa) in capacity building. In addition, through CIDA's Canada Climate Change Development Fund, Canada has undertaken activities that promote, facilitate and/or finance the transfer of environmentally sound technologies to developing countries. These activities are intended to build capacity in those countries and can include know-how, equipment and products. Projects have been undertaken in the four broad areas of emissions reduction, capacity building, carbon sequestration and adaptation. These are in addition to the ongoing efforts of the Government of Canada to help Canada address its own greenhouse gas emissions.



The importance assigned by the Committee to the role of impact assessment in development is consistent with Canadian policy in this area. Canada's long experience in the development and use of its own impact assessment regime will continue to inform its international activities, including in Africa. Canada has long been an advocate of impact assessment as a tool for development, and requires impact assessments on any projects that involve CIDA's Industrial Cooperation program. The multilateral financial institutions that Canada supports, such as the World Bank, use impact assessments as part of their project approval process.

As for national impact assessment regimes, the Government of Canada believes that each country should define its own system or systems according to its needs. However, the Government believes the sharing of experience and the development of capacity in this area are of great importance. Through the *Convention on Biological Diversity*, Canada has played a key role in developing agreed guidelines on the integration of biodiversity-related issues into environmental impact assessment. These guidelines were approved by parties to the Convention in April 2002 and are intended to assist countries in managing assessment processes. Canada will also continue to work with other parties to the Convention to ensure that traditional knowledge related to biodiversity is used in impact assessments in an appropriate manner.

In keeping with its leadership at the Kananaskis Summit, Canada placed particular emphasis on sustainable development in Africa at the Johannesburg Summit. This emphasis on Africa was expressed, in part, in Canada's announcement of financial commitments. For example,

Canada pledged \$11 million to the Nile Basin Initiative, fostering regional cooperation on the management of the Nile river watershed. Canada's Africa focus was also demonstrated in its contribution to the negotiation of the section of the *Johannesburg Summit Plan of Implementation* dealing with Africa's sustainable development, including provisions on access to drinking water, access to energy, reforestation and the conduct of impact assessments.

7. Building a True Partnership with Civil Society

Recommendation 14

Canada should insist on a commitment in the G8 Africa Action Plan to submit the NEPAD framework to wider public consultation within African countries as an integral element of its implementation process. The G8 Plan, which should also be communicated widely to the public in the G8 countries, should remain open to change and adjustment in response to additional input from African and G8 citizens following the Kananaskis Summit. The Government of Canada should promote ongoing civil society participation around the Action Plan agenda, seeking especially to involve Canadians of African ancestry, and recognizing also the role that parliamentary processes ought to play.

Leading up to the Kananaskis Summit, there was great interest among civil society, academia and the private sector in summit preparations. When assuming the role of G8 chair at the beginning of this year, the Government of Canada made a firm commitment to prepare the Kananaskis Summit in as transparent a manner as possible and to provide reasonable opportunities for public dialogue. Ongoing civil society participation is essential to providing opportunities for dialogue and constructive exchange of ideas. As noted in the response to Recommendation 1, the work of the Committee was the most significant consultation done in preparation for the Summit, strengthening the participatory aspect of preparations. The Committee's suggestion of a progress report is a welcomed suggestion and an option worth pursuing.

African leaders have expressed their commitment and desire to increase African awareness and participation in the process. G8 leaders recognize the importance of ensuring the involvement of African civil society and are committed to supporting African leaders in this. However, consistent with NEPAD and the *G8 Africa Action Plan*, Africans must lead outreach and consultation in Africa. G8 countries will continue to support African efforts to encourage public engagement in NEPAD and to consult with African partners on how to best assist their efforts. Leading up to the Kananaskis Summit, as an integral part of the Government's outreach initiative, the Prime Minister's Personal Representative, Robert R. Fowler, met with an array of groups and interested citizens including Canadians of African ancestry.

To support African public consultation, the Government of Canada will commit \$3 million over three years to support outreach initiatives in Africa that increase awareness of the principles and objectives of NEPAD, promote public dialogue on the partnership and reform agenda outlined in NEPAD, and generally promote the engagement of African people with government.



8. Evaluating Mutual Responsibilities and Accountabilities for Results

Recommendation 15

Canada should urge G8 and African leaders to collaborate on building into the Africa Action Plan a credible process for evaluating each other's performance on realizing the specific objectives that should be incorporated into all elements of the Plan, while at the same time giving NEPAD's peer review mechanism a chance to work. In addition, Canada should propose consideration of an independent review mechanism, with non-governmental and African participation, including for the G8's implementation of its African partnership commitments agreed to at Kananaskis.

One of the underlying principles of the new partnership is mutual commitments and responsibilities. This means Africa keeping to its commitments outlined in NEPAD and the G8 implementing the *G8 Africa Action Plan*.

The peer review mechanism proposed by African leaders is an essential component in obtaining the objectives set out by leaders. G8 leaders are committed to using the peer review process to inform their decisions about partnerships. At the same time, they remain committed to helping countries that do not yet meet but are working toward meeting the standards. However, in working toward establishing principles of strong governance for Africans—which is one of the underlying goals of NEPAD-G8 leaders have stated in the *G8 Africa Action Plan* that they will not work with governments that disregard the interests and dignity of their people.

As noted in the response to Recommendation 14, Canada is fully committed to an open and consultative process. In the implementation phase of NEPAD, the views of African civil society and non-governmental organizations, as well as those from other countries, will be invaluable in ensuring success. As a way to ensure proper follow-up on the commitments made in Kananaskis, G8 leaders have asked for a report on implementation of the *G8 Africa Action Plan* at the next summit. The Government welcomes continued analysis and constructive criticism by civil society: it provides a way to keep our policy approaches well targeted and to ensure continued awareness among Canadian citizens of the ongoing challenges in Africa with which the Government can help. The Government hopes that the Committee will continue to show an interest in the issues dealt with in Kananaskis, and especially Africa.

The Government of Canada does not believe an independent review mechanism is either necessary or compatible with the G8 process. As noted above, NEPAD, the G8, other countries and international organizations, and civil society have already engaged various processes to assess progress and implementation.



CHAPTER IV: ACTION ON PURSUING A COMPREHENSIVE INTERNATIONAL EFFORT AGAINST TERRORISM

Terrorism and Weapons of Mass Destruction

Recommendation 16

Given the danger of nuclear terrorism, Canada should argue that the G8 must redouble its efforts to identify, acquire and neutralize nuclear materials, especially those from the former Soviet Union, both through the International Atomic Energy Agency and bilaterally. It should also underline the need to strengthen the commitment of the G8 and other states to both non-proliferation and disarmament, including that of nuclear weapons. Finally, G8 governments should conduct a risk assessment of the threat of nuclear terrorism, both to improve their understanding in this area and to educate their citizens.

G8 members are implementing UN Security Council Resolution 1373, unanimously adopted on September 28, 2001. The resolution calls upon states to eliminate the supply of weapons to terrorists, to accelerate information exchange on the threat posed by possession of weapons of mass destruction by terrorist groups, and to enhance the coordination of national and international efforts to combat the illegal movement of nuclear, chemical, biological and other deadly materials. G8 members are also working to implement the 12 UN counter-terrorism instruments, which include the Convention on the Physical Protection of Nuclear Material.

Canada's longstanding commitment to non-proliferation and disarmament is outlined in its Government Statement of April 1999, entitled *Nuclear Disarmament and Non-Proliferation: Advancing Canadian Objectives*. Canada, with G8 partners, agreed on a set of six non-proliferation principles aimed at preventing terrorists—or those who harbour them—from acquiring or developing nuclear, chemical, radiological or biological weapons, missiles, and related materials, equipment or technologies. They also agreed to support efforts to strengthen multilateral treaties and other international instruments intended to prevent the proliferation or illicit acquisition of such items. G8 leaders also called on other countries to join in implementing these principles. In the foreign ministers' *Progress Report on the Fight Against Terrorism*, G8 partners also expressed their support for the enhanced counter-terrorist responsibility of the International Atomic Energy Agency (IAEA) and for promoting adherence to safeguards.

G8 leaders launched a new *G8 Global Partnership Against the Spread of Weapons and Materials of Mass Destruction*, under which G8 countries will undertake cooperative projects according to agreed guidelines. In addition, G8 leaders committed to raise up to US\$20 billion to support such projects over the next 10 years. The Government of Canada and other G8 countries conduct ongoing risk assessments on the threat of nuclear terrorism, individually and collectively, as well as in collaboration with relevant multilateral agencies such as the IAEA. They evaluate the threat of possible use of chemical, biological, radiological and nuclear



(CBRN) agents and, through information sharing, evaluate their capabilities and response techniques in the case of terrorist incidents involving CBRN weapons. G8 justice and interior ministers, at their meeting in Mont Tremblant in May 2002, endorsed best practices for responding to chemical and biological terrorist incidents and requested further work be done by experts to identify best practices for responding to radiological and nuclear incidents.

Democracies and Terrorism

Recommendation 17

Canada should stress that, while recognizing the inherent right of self-defence contained in the UN Charter, G8 and other international action in this area must be based on the principles of multilateralism, respect for the rule of law, civil liberties and human rights. Such action must also be taken within a broader foreign policy context which addresses poverty and exclusion, seeks to resolve existing conflicts and puts particular emphasis on conflict prevention, including through the reduction of tensions and prejudice.

In 1995, the Government of Canada issued *Canada in the World*, the Canadian foreign policy review that served to define the context within which Canada acts internationally. The statement clearly outlines the importance of balancing the promotion of economic prosperity, the protection of security within a stable global framework and the projection of Canadian values, including respect for human rights, the rule of law, democracy and the environment. The Government's foreign policy statement sets the tone for and guides all foreign policy decisions.

It is important as well to note the UN's pivotal role in common efforts aimed at combatting terrorism. G8 counter-terrorism initiatives and actions rest on the principles of multilateralism as they have been developed to support and complement UN Security Council Resolution 1373. G8 countries are also working to implement the 12 UN counter-terrorism instruments. Canada, along with other G8 countries, is committed to sustained and comprehensive actions to deny support or sanctuary to terrorists, bring terrorists to justice and reduce the threat of terrorist attacks.

The Government of Canada recognizes the complex links that exist between economics and politics and the dynamics that contribute to conflict. The Government fully supports the notion that countries with good governance (i.e. where human rights are respected and where there is justice in the form of an accountable political and judicial system) have a better chance of dealing with security threats and of channelling dissent into legitimate political expression. This is critical to ensure stability, deal effectively with poverty and exclusion, and allow for the fulfilment of human potential.

Since 1999, conflict prevention has been a priority on the G8 foreign ministers' agenda. In the wake of September 11, G8 members focused attention on the need to support the emergence of a stable, representative government in Afghanistan that could provide a secure environment



in which Afghans could begin to rebuild their country. G8 countries have played a special role in working with Afghan authorities to develop strategies and marshal resources to rebuild the Afghan security sector, particularly the national police force, the national army and the judicial system. In Whistler in 2002, foreign ministers acknowledged the importance of the extended engagement of the international community in Afghanistan, particularly with respect to strategies and assistance for developing the Afghan security sector.

Increasing G8 Cooperation

Recommendation 18

Canada should encourage further G8 efforts to develop common security and reporting standards for international transportation networks. In particular, while improvements since last September 11 in the security of air transportation have been welcome, much more remains to do in the area of maritime container transportation.

At the Kananaskis Summit, G8 members agreed to measures set out in the summit document *Cooperative G8 Action on Transport Security*. These measures consist of a set of cooperative actions to promote greater security of land, sea and air transport while facilitating the cost-effective and efficient flow of people, cargo and vehicles for legitimate economic and social purposes.

In the area of aviation security, G8 members agreed to accelerate the implementation of standards for reinforced flight deck doors on all G8 passenger aircraft by April 2003 wherever possible and Canada will meet the set deadline by April 9, 2003. G8 leaders also agreed to support the International Civil Aviation Organization (ICAO)'s rapid implementation of mandatory aviation security audits of all ICAO-contracting states and to encourage countries to make proportionate contributions to the ICAO Aviation Security Mechanism. Canada has pledged \$350,000 and is providing technical expertise to assist in the development and implementation of the audit program.

Regarding container security, G8 leaders further agreed to work expeditiously with relevant international organizations (such as the International Maritime Organization and World Customs Organization) and interested non-G8 countries on developing and implementing an improved global container security regime that would identify and examine high-risk containers and ensure their transit integrity.

G8 leaders also agreed to further address issues related to maritime security. Specifically, leaders agreed to support, with the International Maritime Organization, amendments to the International Convention for the Safety of Life at Sea. These amendments will accelerate installation of automatic identification systems on certain ships by December 2004, require mandatory port facility security plans and assessments for relevant ports serving ships engaged on international voyages by July 2004, and require mandatory ship security plans and security officers on board ships by July 2004.



On land transportation, G8 leaders agreed to develop in relevant international organizations an effective security regime for overland transportation and distribution of hazardous cargos. The Government of Canada has participated in the UN Sub-Committee of Experts on the Transport of Dangerous Goods. A paper that includes general security measures will be considered by the Sub-Committee in December 2002.

Recommendation 19

Canada should stress the need for all G8 states to ratify the 12 UN counter-terrorism conventions without delay. In addition, G8 states should encourage and assist others to do so as well, both diplomatically and through capacity building. All states must also redouble efforts to conclude the negotiations on the omnibus Comprehensive Convention on International Terrorism now under negotiation.

G8 countries are working to implement the 12 UN counter-terrorism instruments and continue to work within the UN to reach consensus on the UN Comprehensive Convention on International Terrorism and to finalize the International Convention for the Suppression of Acts of Nuclear Terrorism, as outlined in the Kananaskis Summit backgrounder *G8 Counter-Terrorism Cooperation since September 11*.

At the Foreign Ministers' Meeting in June 2002, ministers issued a *Progress Report on the Fight Against Terrorism*, which stated;

We have begun by putting our own houses in order first. G8 members have implemented new laws and policies strengthening our political, diplomatic, military, legal, intelligence, law enforcement and financial counter-terrorism activities. Collectively, we have invested billions of dollars in enhancing security. These domestic changes have been devised to ensure comparable levels of security in all G8 countries and to facilitate cooperation among us routinely and in times of crisis.

In addition to these efforts, G8 countries are working to ensure international adherence to these UN counter-terrorism instruments.

As well, foreign ministers stated that efforts must go beyond G8 countries to assist capacity-building efforts in other countries. To achieve this, G8 countries, in cooperation with the UN Security Council Counter-Terrorism Committee, are helping in the areas of training, institution-building, cooperation among law enforcement and intelligence groups, and sharing technical expertise. Foreign ministers also developed new G8 recommendations on counter-terrorism, which will be promoted through outreach to other countries.

Throughout the negotiating process, Canada has emphasized the need for flexibility in attempting to reach consensus on a final text of the Comprehensive Convention on International Terrorism. We have supported the pragmatic approach to the Convention as a law enforcement tool in the fight against terrorism and also emphasized that it was important



for the UN to send a clear message of unity in the fight against terrorism. While it appears that the temptation to use these negotiations as a way to make a political statement has been stronger than the political will to conclude a significant counter-terrorism instrument, we will continue to work with international partners to reach an appropriate resolution of negotiations.

CHAPTER V: CONCLUSION: ACTION TOWARD A MORE EFFECTIVE AND PARTICIPATORY G8 PROCESS

Governance and Democratic Accountability: Some Issues for the G8

Recommendation 20

Canada should lead in proposing to G8 Summit leaders at Kananaskis a task force on G8 reform which would look at options for expanding democratic public access while reducing summit costs and would make recommendations in time for action prior to the next summit. Particular attention in the task force's mandate should be paid to improving the G8's transparency and communications; enlarging participation by parliamentarians and non-state actors; measuring effectiveness in terms of actual performance; and, returning back full circle to Recommendation 1, providing a regular public mechanism of accountability for summit outcomes.

In addition, the Committee urges the Government to support the idea of holding an inaugural meeting of G8 parliamentarians in connection with the Kananaskis Summit, leading to the subsequent setting up of a G8 Interparliamentary Group that would be invited to submit recommendations directly to future summits.



In assuming the Chair of the G8, Canada was firm in its commitment to pursue a clear and transparent preparatory process, allowing for consultations and open dialogue on the summit agenda. Because the Summit's priorities were clearly outlined early in the preparatory process, consultations, meetings and information sessions could be more focused and substantive, addressing specific components of what G8 leaders would be discussing.

The Government committed to ensuring ample opportunity for Canadians to participate in the summit process. The Prime Minister's Personal Representative, Ambassador Robert R. Fowler, met with academics, non-governmental organizations, private sector representatives and interested Canadians across Canada. He also appeared before the Committee to report on two separate occasions. This allowed him to develop his thinking on the issues that would be on the summit agenda. The Government also financially supported and facilitated alternative policy discussions and policy input through partners. For example, it made a significant contribution to the University of Calgary, host of the Group of Six Billion People's Summit (G6B), which was held in the days leading up to the Kananaskis Summit. Two ministers participated in the G6B (Bill Graham, Minister of Foreign Affairs, and Susan Whelan, Minister for International Cooperation), and its results were shared with G8 delegations in Kananaskis.

As noted at the beginning of this response, the most significant single means by which Canadians have been engaged is through the extensive hearings held by the Standing Committee on Foreign Affairs and International Trade. As elected representatives, Committee members are a channel for the voices of civil society. The recommendations in the Committee's report offered

substantive ideas to the Prime Minister, as Chair of the G8 process, and to his Personal Representative, who chaired the preparatory process. The report also helped inform and shape the necessary public debate about G8 issues and to outline points of consensus among Canadians who advocate on those issues.

The G8 process is continuously evolving, and its strength lies in its flexibility and responsiveness. As a forum for elected heads of state and government and having little formal structure, it offers the opportunity for the leader that holds the Chair to define a set of priorities, choose the venue and shape the preparatory process. Even though the Government recognizes the recommendation of the Committee for a task force, the G8 has proven its ability to make necessary changes, and therefore the Government does not support the establishment of such a task force.

It is important to highlight how much the process was reengineered to respond to the constantly changing environment around summits. The Prime Minister's desire for a summit done differently was effectively put into action: smaller delegations at a retreat-like setting; an open, transparent and inclusive preparatory process on a clear and public agenda; and summit documents that faithfully reflected leaders' discussions and the decisions made by them. Despite heightened concerns around terrorist threats, security was accomplished while supporting the right to peaceful dissent.

The Government's response to the Committee's report, and the commitment to report again to the Committee in the new year by way of a progress report, as outlined in the Government's response to Recommendation 1, are evidence of the accountability to the democratic process that has characterized this Canadian G8 year. The Committee is a valuable mechanism for dialogue between Canadians, elected members of Parliament and the Government.

In terms of inter-parliamentary cooperation, the Government suggests that Committee members seek out opportunities within preexisting organizations such as the Inter-Parliamentary Union. The Inter-Parliamentary Union encompasses, as a part of its membership, all G8 countries and NEPAD steering committee members. It is an established institution with a solid infrastructure and developed network.

The G8 is at its core a forum for joint political action by G8 leaders. It is not clear that adding new structures to the G8 will strengthen the effectiveness of this forum. However, continued strong engagement by parliamentarians of their constituents on foreign policy issues, such as those dealt with in the G8 process, is critical for a vibrant and informed democracy in Canada.