



HOUSE OF COMMONS
CANADA

SECURING PROGRESS FOR AFRICA AND THE WORLD
A REPORT ON CANADIAN PRIORITIES FOR THE
2002 G8 SUMMIT

Report of the Standing Committee on
Foreign Affairs and International Trade

Hon. Jean Augustine, P.C., M.P.
Chair

June 2002

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THE STANDING COMMITTEE ON FOREIGN AFFAIRS AND INTERNATIONAL TRADE

has the honour to present its

TWENTY-FIRST REPORT

In accordance with its mandate under Standing Order 108(2), your Committee has undertaken an in-depth study of the Agenda of the 2002 G8 Summit.

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LIST OF RECOMMENDATIONS AND CONCLUSIONS

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

Recommendation 1 (p. 5)

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 through 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.

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

Fostering Conditions for Shared Global Recovery and Advancement

Recommendation 2 (p. 12-13)

- 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.

Making Assistance Effective in Realizing International Development Goals

Recommendation 3 (p. 15)

- **Canada should propose that the G8 establish a working group on aid effectiveness and reform which 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% of GNP, 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% 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 on G8 contributions to realizing the international development goals reaffirmed by recent UN summits.**

Recommendation 4 (p. 16-17)

- **Canada should urge the G8 to work with others towards 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 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.**

Working Towards International Financial Reforms, Debt Relief, and Stability

Recommendation 5 (p. 18)

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.

Recommendation 6 (p. 19)

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-type currency transaction tax. Canada should also push for more effective implementation of OECD conventions and other international instruments in order to combat bribery, corruption, 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.

Looking Beyond Growth: Promoting Justice and Sustainability

Recommendation 7 (p. 21)

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 towards realizing international human rights, social, cultural, and environmental goals.

CHAPTER III: ACTION TOWARDS 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 towards 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.

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

1. Peacebuilding as a Condition for Sustainable Human Development

Recommendation 8 (p. 35)

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.

2. Providing Aid that Benefits the Poorest

Recommendation 9 (p. 37)

- 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.**

3. Supporting Public Health and Education Priorities

Recommendation 10 (p. 39)

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 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.**

4. Reforming International Trade, Investment and Finance

Recommendation 11 (p. 42-43)

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 with 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.

5. Improving Democratic Governance and Fighting Corruption

Recommendation 12 (p. 46)

Canada should work towards 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

6. Making Development Environmentally Sustainable

Recommendation 13 (p. 48)

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.

7. *Building a True Partnership with Civil Society*

Recommendation 14 (p. 51)

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 responding 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.

8. *Evaluating Mutual Responsibilities and Accountabilities for Results*

Recommendation 15 (p. 53)

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 the 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.

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

Terrorism and Weapons of Mass Destruction

Recommendation 16 (p. 63)

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.

Democracies and Terrorism

Recommendation 17 (p. 67-68)

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.

Increasing G8 Co-operation

Recommendation 18 (p. 70)

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.

Strengthening G8 Solidarity

Recommendation 19 (p. 71)

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.

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

Governance and Democratic Accountability: Some Issues for the G8

Recommendation 20 (p. 80)

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.

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

The forthcoming summit of the Group of Eight (G8¹) leaders, which will take place in Kananaskis, Alberta over two days, June 26-27, is the fourth such summit to be hosted by Canada since these annual gatherings began in 1975. At the Halifax Summit of 1995, Canada gave particular emphasis on the agenda to reforms to the international financial institutions (IFIs²). This time, while global economic issues will continue to be a priority subject for discussion in Kananaskis, Canada is giving a central focus to Africa's needs and aspirations — specifically, to elaborating a G8 action plan in collaboration with the promising initiative of African leaders known as the New Partnership for Africa's Development (NEPAD), following up work begun at the Genoa summit in July 2001. Of course, since that last G8 summit there has been a major new development overshadowing all others. The terrible events of the September 11 terrorist attacks on the United States and their aftermath pose daunting challenges to world order. Pursuing a comprehensive international effort against terrorism is therefore also a necessary priority as G8 leaders address critical threats to global security in all of its dimensions.

The Committee has previously been directly engaged in the preparatory process for a Summit. Seven years ago we tabled a major report on IFI reforms in advance of the Halifax Summit.³ And indeed, many of the issues raised and recommendations put forward in that report are still pertinent, as we have been reminded by testimony in our current hearings renewing the case for international economic reforms. Without the foundation of a sound and sustainable world economy that distributes benefits widely, many other worthy objectives will be difficult to realize. The Committee therefore devotes some attention to these ongoing summit issues in Chapter II of this report.

¹ The G8, as it has been known since 1998 when the Russian Federation began to be included in the political part of the agenda, grew out of the G7 summits of the leaders representing major industrialized countries. That core membership consists of the United States and Canada, Japan and four European nations, the United Kingdom, France, Germany and Italy (with the European Union also represented by the president of the European Commission). Earlier G7 summits tended to concentrate on issues of international economic coordination, but especially under the G8 umbrella, agendas have expanded to encompass many other multilateral matters. Economic matters retain their G7 cast, with finance ministers and central bank governors continuing to meet as a "G7" group between summits; trade also remains a G7 subject since Russia is not yet a member of the World Trade Organization (WTO). At the G8 level, however, many more meetings are now being held, not only among foreign ministers, but in such policy areas as environment, energy, education, health, labour and employment, justice, and so on. (Official information on these can be found on the Government of Canada's G8 Web site <http://www.g8.gc.ca>) For the purposes of this report, except in the specific contexts that are restricted to the original G7 members, "G8" refers generally to the above intergovernmental activities, of which the most important is the annual leaders' summit, the location and secretariat for which rotates among member countries.

² Principally the Washington-based "Bretton Woods twins," the World Bank Group and the International Monetary Fund (IMF), as well as the regional development banks and the Bank for International Settlements (BIS).

³ *From Bretton Woods to Halifax and Beyond: Towards a 21st Summit for the 21st Century Challenge*, Report of the House of Commons Standing Committee on Foreign Affairs and International Trade on the Issues of International Financial Institutions Reforms for the Agenda of the June 1995 G7 Halifax Summit, Ottawa, House of Commons Publications Service, May 1995. The report drew considerable attention and was the basis for a series of pre-summit editorials in *The Ottawa Citizen*, June 14-16, 1995.

A larger focus for the body of the report, dealt with in Chapter III, is leadership in furthering a credible G8 action plan for a new African-led development partnership — a challenge which Canada has been determined to make a centrepiece of the 2002 Summit. Last fall one of the Committee's members, Mrs. Francine Lalonde, had also put forward the imperative of addressing Africa's situation, and consensus was quickly reached that it would be timely to do so within the G8 context and in relation to the NEPAD. That resolve was subsequently reinforced by the Prime Minister's request to the Committee for input on the Summit's agenda following consultations with Canadians. As the Committee's former Chair, Minister of Foreign Affairs Bill Graham observed during his appearance on April 25, this is a first in terms of the G8 process. Another first, in regard to consideration of a G8 African action plan, was the appearance before the Committee on April 30 of diplomatic representatives from seven African countries represented on the NEPAD's governing implementation committee and including all of the initiating states.⁴

The Committee welcomes the undertaking given in testimony on April 23 by Ambassador Robert Fowler, the Prime Minister's personal representative ("sherpa") for the Summit and for Africa, to share our report's findings with his G8 counterparts at their final pre-summit preparatory meeting in early June. But this must not be the end of the process. In our view, the inclusion of parliamentary input should become a regular ongoing practice in Canada's preparation for major international summits. The Committee strongly agrees with the emphasis put on increasing parliamentary and public engagement by Professor John Kirton, director of the University of Toronto's G8 Research Centre, in his submission in Toronto on May 8. We will have more to say about this in Chapter V of the report on the future of the G8 process.

Of course the Committee could not do its work without the benefit of Canadians who have taken the time to participate and give us the benefit of their ideas. We have been impressed by the many articulate submissions on G8 matters received from interested Canadians in all parts of the country, and notably on the challenge of a new development partnership with Africa. This is the first time that such a cross-country parliamentary consultation has taken place as part of a G8 preparatory process. In addition to a number of meetings in Ottawa, the Committee held public hearings in a dozen other cities in late February and early May. We believe it has been important to provide an opportunity for Canadians in every region to engage elected representatives directly on the Summit agenda as part of a study which we expect to be taken seriously by the government.

In a short report of this kind the Committee cannot reflect the full richness of the testimony received.⁵ However we have attempted to draw on it as much as possible to highlight key concerns corresponding to the major Summit themes. Taking into account

⁴ The five initiating states of the NEPAD are Algeria, Egypt, Nigeria, Senegal, and South Africa. The Committee also heard from representatives of Cameroon and Ethiopia.

⁵ Copies of all written submissions to the Committee have been provided to the government's G8 summit office, in addition to the electronic transcript of edited evidence which is posted on the Committee's Web site.

what Canadians have told us, the Committee's recommendations indicate our priorities for Canadian leadership on G8 actions coming out of Kananaskis.

In addition to global economic issues and African development, the fight against terrorism is a preoccupation which we address in Chapter IV of the report. In doing so, the Committee recognizes the need for caution in making hasty leaps or facile linkages. We agree with Ambassador Fowler's observation that there is no necessary causal link between poverty and terrorism, for example. At the same time, it is clear that the Summit issues do not exist in separate compartments insulated from each other. Globalization as a 21st century reality is multiplying interconnections and potential vulnerabilities through increasingly complex relations among societies. Ultimately, there is little prospect that the security of citizens in G8 countries can be enhanced if human misery, oppression and conflict continue to afflict large parts of the globe.

A compelling observation to this effect was made during the Committee's first panel on January 31 by Reid Morden,⁶ when he concluded:

The perpetrators of September 11 have launched an offensive against innocent persons and against the central values and interests of the international community, and the G8 leaders at that time said that we will not allow those who seek to perpetrate hatred and terror to divide the peoples and cultures of the world. Those are very good sentiments ... but frankly, the leaders should also be held accountable to them and translate them into concrete action. ... I think they have to look at a cure for the problems, not the symptoms, because I think, from the three richest men in the world right down to the citizens of those 48 poorest countries, these issues are going to affect everyone unless globalization is made more sustainable and equitable. [*Evidence*, January 31, 2002, Meeting No. 54, 10:00]

Another former Deputy Minister of Foreign Affairs and G7 "sherpa", Gordon Smith told the Committee in Vancouver on May 7 that poverty and despair clearly increase the risk of terrorism, even if they do not inevitably lead to it. Moreover, as Professor Joseph Nye, Dean of Harvard University's Kennedy School of Government, observed to us on May 2, the potential lethality and non-state controlled nature of contemporary terrorism represent a "totally new dimension in world politics."⁷ These phenomena, and a lack of effective means of global governance to deal with them, are a challenge to the ingenuity and resolve of G8 governments, without whose leadership the needed fundamental reforms to the international system are unlikely to be undertaken.

Committee Members were in Washington D.C. in March for meetings at the time of the six-month anniversary of September 11 and took note of two lead editorials published in *The Washington Post* the day after that anniversary. The first argued for stepping up commitments to "addressing the nonmilitary pieces of the terrorism problem." The

⁶ Morden is Chair of KPMG Corporate Intelligence and a former G7 "sherpa" as well as Deputy Minister of Foreign Affairs who later headed the Canadian Security Intelligence Service (CSIS).

⁷ On the nature of the threat and the globalization of critical vulnerabilities, see also Thomas Homer-Dixon, "The Rise of Complex Terrorism", *Foreign Policy*, January/February 2002, p. 52-62.

second, observing global inequities and growing population imbalances, made the point that: "Poverty and terror are not directly linked, to be sure, but poverty does breed the alienation and despair that foster violence. ... People in rich nations who think this has no consequences for their security are kidding themselves ...". The *Post* quoted World Bank President James Wolfensohn: "There is no wall. We are linked by trade, investment, finance, by travel and communications, by disease, by crime, by migration, by environmental degradation, by drugs, by financial crises and by terror." The newspaper of record in the U.S. capital concluded: "There is only one world. It is time that policies adapted."⁸

That message was also an underlying thrust in much of the testimony the Committee received from Canadians. And we must frankly acknowledge that G8 leaders and the G8 process are facing an important test of public scrutiny in that regard. As indicated earlier, Chapter V of this report will deal in more detail with the future of the G8 process, with suggestions for cost-efficient modes of interaction, and with the demands for more inclusive participation in redressing what has been referred to as the "democratic deficit" in the governance of globalization. But we want at the outset to underline the need for the next summit, not only to establish fundamental shared goals, but also to specify concrete means for their implementation through policies that are credible, coherent, and subject to transparent, performance-based accountabilities.

In short, how can the G8 demonstrate to its own citizens and to the world that the activities associated with summits, which have become so contested and security conscious, really have "value for money" results in terms of measurable benefits to their societies and for the international community at large?

Supporters as well as critics of holding G8 summits have suggested that they must move away from being media spectacles or producing only statements of rhetorical intent that are not subject to any accountable follow up. The Committee welcomes the Prime Minister's desire to keep Kananaskis to a pared-down summit that affords G8 leaders an opportunity to grapple seriously with a focused set of issues. But we are frankly concerned by press reports that summit costs could reach or even exceed \$300 million. Such numbers begin to approach the amount of \$500 million, over several years not days, that was announced in the December 2001 Budget for an African fund. Whatever the merits of face-to-face encounters and executive-style "retreats," given the pattern of expenditures on recent summits, there is surely a strong argument that better ways must be found for the G8 to conduct its business and provide ongoing leadership on the major global public policy challenges.

Furthermore, as much as African government leaders have indicated their acceptance of a "peer review" process in the implementation of the NEPAD, G8 leaders must also begin to review, in a serious and transparent way, their own performance in living up to their commitments made as a group, and indeed to their international

⁸ "The War's Next Stage" and "There Is No Wall", *The Washington Post*, March 12, 2002, p. A20.

obligations more broadly. From one end of the country to the other, witnesses challenged the G8 summit process to prove its worth in concrete terms. In Halifax, John Hoddinott cautioned about signing wonderful documents with “lots of smiles and excellent photo opportunities,” because “leadership requires more than words. It requires real commitment and real resources.”⁹ In Vancouver, Joan Russow outlined how G8 countries have fallen short in meeting many previous international commitments and need to take implementation issues seriously if the same fate is not to befall the goals agreed to in the United Nations Millennium Summit Declaration. In Calgary, Catherine Little of Results Canada observed how G8 promises regarding UN public health targets made at the Okinawa summit several years ago remain unfulfilled. Given G8 governments’ calls for good governance and accountability measures in countries receiving international assistance, as she put it, “we must acknowledge that accountability is a two-way street and that the G8 countries need to admit their mistakes and lack of accountability in the past in many areas.”¹⁰

In short, public trust is at stake. Beyond the need for the G8 to do a better job of informing and engaging their publics, John Kirton has suggested:

A further contribution could be the provision of regular compliance reports on how and how well existing commitments are being met, or why they are not and should not be met as circumstances change. Both insiders and outsiders have a similar need, and common democratic obligation, to know and understand how the “soft law” decisions of their democratically elected leaders are being fulfilled. Indeed, the leaders themselves should be the first to want to know if and why their Summit level commitments are not being implemented as they intended.¹¹

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 through 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.

⁹ *Evidence*, February 27, 2002, Meeting No. 61, 9:20.

¹⁰ *Submission*, May 8, 2002.

¹¹ *Submission*, Toronto, May 8, 2002, “Guess who is coming to Kananaskis? Civil society and the G8 in Canada’s year as host,” *International Journal*, Winter 2001-2002, p. 111. Professor Kirton’s oral testimony highlighted the key points of this article.

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

There are still risks to the global outlook, and too many people are trapped in a cycle of poverty and despair. Our task is to work together to identify measures that will further reduce uncertainty and promote sustainable and equitable global economic growth.

Hon. Paul Martin, Minister of Finance¹²

Compared to several months ago, prospects are considerably more buoyant for growth in the G8 economies and in the world economy as a whole. Recent outlooks show stronger signs of a recovery in North America following the post-September 11 downturn, with Canada leading the way in projected growth rates within both the G8 and the OECD.¹³ Despite such positive scenarios, there are a number of risk factors even within the economically privileged G8 area — *inter alia*, Japan's continuing recession; extremely high levels of consumer and corporate debt; an overvalued U.S. dollar and that country's need to finance its huge current account deficit;¹⁴ rising trade protectionism in the United States; volatile oil prices and the effects of the Middle East crisis. Kananaskis is an important opportunity to address at the highest level those factors which could undermine a sustained and broadly based recovery within and beyond the G8.

In addition, as Minister Martin's statement cited above underlines, the present global economy remains very far from performing well, much less equally well, for all. Unacceptable levels of poverty persist even in some of the richest countries. As for the developing world, Roy Culpeper of the North-South Institute argued in his testimony of January 31 that the global economic growth which was encouraged during the previous decade, and which created both winners and losers, went hand in hand with an increase in human insecurity for many people, particularly in Africa. In short, more of the same, with perhaps minor adjustments, is a suspect solution offering little comfort to those who have yet to enjoy much of the benefits from past growth.

¹² Statement prepared for the International Monetary and Financial Committee of the International Monetary Fund, Washington D.C., April 20, 2002.

¹³ Cf. International Monetary Fund, *World Economic Outlook: Recessions and Recoveries*, Washington, D.C., April 2002; Organisation for Economic Co-operation and Development, *OECD Economic Outlook No. 71, Preliminary Edition*, Paris, released April 25, 2002.

¹⁴ The "Big Mac index" devised 16 years ago by *The Economist* magazine indicates that the U.S. dollar, notwithstanding recent declines, has never been more overvalued compared to the average of the other big currencies than now. ("Big MacCurrencies", *The Economist*, April 27, 2002, p. 76.) According to C. Fred Bergsten of the Institute for International Economics, the size of the United States' trade deficit means that it needs to attract US\$500 billion in financing every year from the rest of the world. He argues that if the combination of currency misalignments and current account deficits is neglected by the leaders of the world's major economic powers, the result could be an outbreak of trade protectionism and a dollar crash jeopardizing global stability. ("The Transatlantic Century," *The Washington Post*, April 30, 2002, p. A19).

A number of witnesses went further to challenge the premises of conventional growth and export-oriented economic policies, contending that other public values — notably relating to social justice, health and education, environmental stewardship, human rights, democracy — should be taken into account in economic policy formulation from the local to the global level. They appealed to G8 leaders to expand their horizon of vision in order to consider alternative approaches to economic progress that would put the long-term well-being of humanity and the planet as a whole at the centre of policy considerations.

WHAT CANADIANS TOLD US¹⁵

To sum up, current economic policies, based on liberalized markets and capital flows, and deflationary macroeconomic policies, have led to serious distortions in the world economy, manifested in recurrent financial crises, huge current account imbalances and grossly misaligned exchange rates. G8 leaders need to do some fundamental rethinking, along with colleagues in the rest of the world, if they really want to generate equitable growth and sustainable development.

Roy Culpeper, *Evidence*, January 31, 2002, Meeting No. 54

... G8 leaders need to balance macro-economic management with sound social, structural and human rights policies. Rather than merely focusing on strengthening global economic growth, they need to ensure that trade agreements affirm a basic precept: core human and labour rights have to be recognized as a way of increasing democratic participation in the economy.

Newfoundland and Labrador Federation of Labour,
Submission, February 25, 2002, p. 1

Genuine indicators of human progress should inform the core of G8 economic planning. Tested indicators include the Human Development Index (HDI) and Human Poverty Index (HPI), both already in use by the United Nations Development Programme. ... Other indices, one of which has been developed in Canada ... allow the distinction between economic activity that is genuinely socially beneficial and activity that, for example, is socially and environmentally destructive.

St. John's Mobilization for Global Justice, *Evidence*,
February 25, 2002, Meeting No. 58

¹⁵ These selections are intended only to give a sense of the testimony across the country. They should be read in conjunction with the full submissions and documentary record of the meetings.

... the G8 can play a leading role in encouraging more coordination to ensure that everyone pulls their weight in a global reflation strategy. The key component to such a strategy is to reflate domestic economies, i.e., encourage domestic fiscal and monetary policies that are not repressive of growth, but aim at full employment, and make full use of productive capacity instead of low inflation.

Canadian Labour Congress, *Submission*, Ottawa,
April 30, 2002, p. 2-3

We would welcome recognition by the G8 that economic growth in itself is not sufficient given the challenges, and that the world has to move more aggressively to ensure equitable distribution of wealth and the benefits of production. Part of this effort would include radical reform of the financial institutions, so that their policies better strengthen true country ownership and capacity, and the empowerment of the poor.

The Social Justice Committee, *Submission*, Montreal,
February 27, 2002

The G8 summit, instead of addressing the issue of how to promote economic growth, ought to be focused on how to build an economy that would be ecologically sustainable and that would encourage economic fairness, rather than increasing disparity.

Jan Slakov, Enviro-Claire, *Submission*, Halifax,
February 27, 2002, p. 4

What we do want is that international trade agreements reflect the values and beliefs of Canadians by enshrining principles of democracy, equity and justice. International trade agreements should play a role in raising all boats not allowing some to sink.

National Union of Public and General Employees,
Submission, Ottawa, March 21, 2002, "The G8 in Kananaskis:
Time for Change", p. 2

... microcredit is a proven and sustainable way to address poverty reduction. The G8 theme of "strengthening global economic growth" must include economic growth that will immediately benefit the poorest people. Will increased support for microcredit from the G8, and especially from Canada, be discussed at the G8? Will a portion of Canada's \$500 million commitment to sustainable development in Africa go to support microcredit for the poorest?

Blaise Salmon, Results Canada, *Submission*, Ottawa,
April 12, 2002

One of the problems with the global economy is that the medicine prescribed for an ailing economy by the international and multilateral institutions controlled by the economically advanced nations may actually be spreading the disease.

Alberta Federation of Labour, *Submission*, Edmonton,
May 9, 2002, p. 4

Globalization has to be in the interests of the poor, not just the rich, and it has to be in the interests of protecting our environment.

Tony Haynes, Roman Catholic Diocese of Saskatoon,
Submission, May 10, 2002

How can we restructure our approach to economic growth in a way that benefits ordinary people? Adopting that goal as a basic principle in all policy discussions would be a good start. This means that G8 countries should make a strong commitment to adopt economic strategies that benefit the average person in the street as well as the corporate sector. ... We urge the G8 to adopt economic strategies to reduce reliance on exports to the U.S. market and to broaden trade lanes throughout the world.

Manitoba Federation of Labour, Submission, Winnipeg,
May 6, 2002, p. 4

Overriding the well-meaning United Nations Millennium Development Goals, we see a 21st century economy built around a structure of some countries producing high value-added goods and most producing raw materials of labour-intensive goods capturing ever-depleting prices in the world market.

Salimah Valiani, KAIROS, Testimony, Toronto, May 7, 2002

G7 inerrant faithfulness to market-oriented solutions to growth, poverty reduction and sustainable development demonstrates a clear lack of interest to address inherent bias within the global economic system. We believe that global economic growth, specifically in developing countries, is constrained by G7 support for particular economic policies, commonly referred to as the Washington Consensus. This Consensus requires countries, irrespective of their specificities to liberalize trade and investment and to privatize public and natural assets. There is little evidence to suggest that these policies lead to growth, and much to prove that they cause widening inequalities in income, wealth and standard of living within and among countries.

Halifax Initiative Coalition, Submission, May 14, 2002, p. 1

Fostering Conditions for Shared Global Recovery and Advancement

Notwithstanding some signs of an economic rebound in G7 economies, which account for nearly half of global output, witnesses expressed a great deal of scepticism about the present direction of economic growth policies and of economic globalization in general. Many called for alternative approaches to the dominant paradigm of market-driven liberalization and for major reforms to the structures of the international economic system — for what Blair Doucet of the New Brunswick Federation of Labour referred to as a “pro-globalization of social and economic justice.” While institutions like the World Bank appear to have become more sensitive to poverty and sustainable human

development impacts,¹⁶ there is concern that some policies favoured by the G7 remain fundamentally flawed and that strong remedial measures are required in order to move towards a global economy that meets human needs and respects human rights.

The Committee cannot address all of the reform prescriptions offered by witnesses but we will comment briefly in subsequent sections on issues related to development co-operation goals, international financial reforms, ethical standards of conduct and environmental sustainability.

Before moving to those, one area that deserves attention in Kananaskis is ensuring that the multilateral trade regime is not put at risk by an escalation of protectionist disputes between the major G7 economies (U.S. steel tariffs and agricultural subsidies,¹⁷ to name only two recent irritants), but instead evolves in a direction that provides benefits to poorer regions, and especially to the least developed countries, the majority of which are in Sub-Saharan Africa. Theodore Cohn of Simon Fraser University observed in his presentation in Vancouver on May 6, that the G7/G8 process has been weak and unsatisfactory in providing leadership on multilateral trade issues in recent years; indeed calling its record “atrocious” on reducing protectionism affecting developing countries.¹⁸ At the same time, other submissions we received expressed strong concerns that Canada not support new trade and market access initiatives unless it can be clearly demonstrated that they are of benefit to ordinary citizens in both developed and developing countries, and that they will not jeopardize governments’ ability to provide public services and to regulate in the public interest.

In previous cross-Canada hearings three years ago the Committee was made fully aware of the depth of Canadians’ concerns about the deficiencies in the present international trading system. The result was a major report which made many recommendations for far-reaching reforms.¹⁹ Based on recent hearings by our Sub-committee on International Trade, Trade Disputes and Investment, the Committee has just tabled a further report on the current WTO negotiating agenda which makes a number of recommendations aimed at improving prospects for developing countries.²⁰ We urge the government to take these into consideration when formulating its positions for the G8 Summit.

¹⁶ Cf. *Globalization, Growth, and Poverty: Building an Inclusive World Economy*, World Bank Policy Research Report, Washington D.C., 2002.

¹⁷ The submission of the Canadian Wheat Board to the Committee in Winnipeg on May 6 argued that: “If the 2002 G8 Summit wishes to seriously address the question of strengthening global economic growth, it should do so by considering the problems that will be facing agricultural trade following the passage of the U.S. Farm Bill” p. 5.

¹⁸ Professor Cohn presented some findings from his forthcoming book, *Governing Global Trade: International Institutions in Conflict and Convergence*, for the Ashgate G8 and Global Governance Series.

¹⁹ *Canada and the Future of the World Trade Organization: Towards a Millennium Agenda in the Public Interest*, June 1999.

²⁰ *Building an Effective New Round of WTO Negotiations: Key Issues for Canada*, May 2002, especially p. 12-28 including Recommendations 2-8.

There is no question that trade, under the right circumstances, can be a positive force for development and poverty reduction. A recent report by Oxfam observes that if developing countries increased their share of world exports by just 5%, this would generate US\$350 billion in revenues, seven times what they now receive in aid; in the case of Africa, a 1% increase in its share of world exports would provide five times what it receives in aid and debt relief. However, the same report underlines that trade liberalization can hurt the poor under a system of biased rules which increases rather than decreases global inequities.²¹ So how those rules get made matters a great deal. In the words of another recent report prepared for the Canadian Council for International Co-operation, whose president Gerry Barr appeared before the Committee in Toronto: "The rules, institutions, and policies that regulate international trade, and their interface with local economic and social realities, make all the difference."²²

Stuart Clark of the Canadian Foodgrains Bank provided a good concrete example to the Committee in Winnipeg of how international trade can be either a progressive or a destructive force, depending on the rules over which G7 governments carry a lot of clout and therefore bear the largest responsibility.

Much has been made of the relative significance of trade and foreign aid in the GDP of developing countries, including those in Africa. As an engine of growth and potentially, poverty and hunger reduction, trade is the V8, foreign aid is the starter motor. And to carry the automotive analogy a bit further, this V8 engine can take the car forward ... or backwards. We support a rules-based trading system that moves hunger and poverty reduction forward. ... But we must also urge Canada to look at those situations where the engine of trade can perversely drive poverty and hunger reduction backwards. ... The Foodgrains Bank has been active in supporting the clarification and promotion of the Development Box, a new set of agricultural trade rules for the developing country members in the WTO. The intent of these rules is to curb the strongly negative effects of the forced opening of staple food markets in Africa. We urge Canada to support WTO agricultural trade rules to prevent the undermining of African small farmers' livelihoods.²³

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**

²¹ *Rigged Rules and Double Standards: Trade, Globalization and the Fight Against Poverty*, Oxfam, April 2002, p. 8 and passim (<http://www.maketrade-fair.com>).

²² Gauri Sreenivasan and Ricardo Grinspun, "Introduction Paper 1," *Global Trade/Global Poverty: NGO Perspectives on Key Challenges for Canada*, CCIC Trade and Poverty Series, Ottawa. March 2002, p. 1.

²³ *Submission*, May 6, 2002, p. 3.

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.

Making Assistance Effective in Realizing International Development Goals

Leaders of G8 countries are among those who have committed themselves to a series of international development targets agreed to at major global gatherings from the 1995 World Summit for Social Development to the 2000 UN Millennium Summit. Under the auspices of the Organisation for Economic Co-operation and Development (OECD), donor governments endorsed these in 1996 in the form of seven key international development targets. As these benchmarks were repeatedly cited by witnesses, it may be useful to be reminded of them.²⁴

- Reduce the proportion of people living in extreme poverty by half by 2015;
- Enroll all children in primary school by 2015;
- Eliminate gender disparities in primary and secondary education by 2005;
- Reduce infant mortality rates by two-thirds by 2015;
- Provide access for all who need reproductive health services by 2015;
- Reduce maternal mortality ratios by three-quarters by 2015;
- Implement national strategies for sustainable development by 2005 so as to reverse the loss of environmental resources by 2015.

Notwithstanding the desirability of boosting trade and private investment flows as a means of financing developing countries' capacities to work towards these goals, it is clear that substantial increases in international assistance will be needed in order to meet these targets. This is especially true for the poorest countries in Africa. The UN Summit on Financing for Development held in Monterrey, Mexico in March 2002, attended by G8 leaders, acknowledged as much and did reaffirm the targets of 0.7% of GNP for annual contributions of official development assistance (ODA) from donor nations, with 0.15-0.2% of GNP for the least developed countries. The Monterrey Declaration also called on donors, recipients and international institutions to "strive to make ODA more

²⁴ Source: Sreenivasan and Grinspun, op.cit., p.5.

effective.”²⁵ European countries and the U.S. announced that they would significantly increase their aid. Canada pledged annual aid increases of 8%.

Witnesses, however, expressed a number of concerns about aid volumes, aid quality, distribution, and the conditions attached to “effectiveness.” While overall aid amounts may now be trending upwards again, this comes after a decade of sharp declines and still leaves a large shortfall in UN estimates of what is needed to meet the agreed development goals. The average ODA/GNP ratio for the G7 is now only 0.18%, compared to an average of 0.46% for the non-G7 OECD donor countries,²⁶ and there is no specific time table for actually coming close to reaching the 0.7% target. (Canada does better at around 0.3% of GNP for ODA in the 2001-2002 fiscal year according to post-Budget estimates by the Canadian Council for International Co-operation,²⁷ but this is still below the OECD average, and Canada has fallen to 17th place among OECD donor countries.) Moreover, the least developed countries, the majority of which are in Africa, receive considerably less than one-third of global aid flows.

Witnesses pointed to other factors reducing the effectiveness of aid for poverty reduction, such as continued reliance on “tying” to purchases in the donor country, and continued adherence to orthodox “structural adjustment” prescriptions devised by the IFIs with very little real input from poor countries themselves, much less from those most affected by the impact of such conditions. For some, the “Monterrey Consensus” is too much in the mould of the heavily criticized Washington consensus, and the poverty reduction strategies currently proposed by the IFIs remain too ideological, top-down and unresponsive to civil society concerns. Some witnesses called for a new development compact that would make local ownership of development programs reality not just rhetoric. There are also questions about how “aid effectiveness” may be applied as, in effect, a precondition or eligibility criterion for receiving assistance. As Robert Letendre of the Canadian Catholic Organization for Development and Peace pointed out in his submission in Montreal on February 28, it is hardly surprising that countries which are better governed, which are tackling crime and corruption problems, will be better candidates for effective utilization of aid. This may be a case of reinforcing capacities or “rewarding success,” but what happens then to the rest? Some witnesses were concerned about a “triage” mentality developing in which some of the poorest countries and neediest people might be abandoned to a miserable fate.

²⁵ The elements of a Canadian approach to improving ODA effectiveness were outlined by Finance Minister Paul Martin in an April 21 statement prepared for the Development Committee of the World Bank and International Monetary Fund. The Canadian International Development Agency (CIDA) has also conducted extensive consultations on strengthening aid effectiveness and the Committee was told in Vancouver on May 6 that Cabinet will shortly be considering a new strategy in this regard. Minister for International Co-operation Susan Whelan confirmed in an appearance before the Committee on May 23 that this CIDA document will be released publicly in July 2002.

²⁶ According to provisional data released by the OECD's Development Assistance Committee (DAC) in May 2002, the ratio for the G7 countries declined from 0.19% in 2000 to 0.18% in 2001, whereas the ratio for the non-G7 countries increased from 0.45% in 2000 to 0.46% in 2001.

²⁷ *The Reality of Aid 2002: An Independent Review of Poverty Reduction and International Development Assistance*, IBON Foundation Inc. Manila, 2002, section on Canada prepared by Brian Tomlinson of CCIC, p. 177.

These are all complicated issues without simple solutions. But perhaps above all, one of the messages from witnesses was that G8 should only make promises in respect of aid outcomes and reforms which they are themselves prepared to keep. As Blaise Salmon, president of Results Canada put it: “Without national accountability for outcomes, and regular monitoring and reporting, the Millennium [international development] goals will likely end up as only another expression of good intentions, with limited results.” (*Submission*, April 11, 2002) The Committee agrees that the G8 needs to demonstrate more effective leadership in regard to meeting the international development goals to which it has affirmed.

Recommendation 3

- **Canada should propose that the G8 establish a working group on aid effectiveness and reform which 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% of GNP, 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% 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 on G8 contributions to realizing the international development goals reaffirmed by recent UN summits.**

There are several development goals in particular on which witnesses urged more and better coordinated G8 action — namely, public health and basic education.

The United Nations Global Health Fund which focuses on combating the scourges of tuberculosis (TB), malaria and HIV/AIDS (GFATM) was launched earlier this year. However, witnesses pointed out that funding commitments to the GFATM of some \$2 billion to date fall far short of the \$7-10 billion required. As noted earlier, Catherine Little pointed out in her Calgary submission that the G8 countries have not lived up to the health-related promises they made at the 2000 Okinawa Summit. She called for a “full progress report” and a new action plan, bolstering her case by presenting the Committee with the findings from the report of the Commission on Macroeconomics and Health, chaired by the noted Harvard University economist Jeffrey Sachs.²⁸ This was reinforced by compelling testimony in Edmonton the next day from

²⁸ *Macroeconomics and Health: Investing in Health for Economic Development*, World Health Organization, Geneva, December 2001.

Drs. Anne Fanning, Stan Houston and Walter Kipp on behalf of Stop TB Canada. They made the case that although Canada has pledged \$100 million to the GFATM, the G8 as a whole could do much more to invest in urgently needed health infrastructures, especially in rural Africa.

While applauding Canada's role in and contributions to the "Education for All" initiative and through the G8 Taskforce on Basic Education—described to the Committee by CIDA President Len Good in his testimony accompanying Ambassador Fowler's second appearance on April 25—a number of witnesses argued that much remains to be done. In Calgary, Randy Rudolph, a co-chair of the education session for the June 21-25 G6B conference in that city, observed that Africa will need a seven-fold increase in funding if it is to meet the international development targets on basic education. (*Submission*, May 8, 2002) In addition to annual results-based implementation targets for donors, he called for an elimination of user fees and safeguards against any increase in private delivery of education introducing additional costs for poor families. Another submission that day in Toronto by the Ontario Secondary School Teachers Federation emphasized keeping the provision of education public.

In the vein of what might be called "knowledge connections for all," the Committee also heard from Deputy Minister Peter Harder and other public and private-sector participants on the Canadian Advisory Committee to the G8 Digital Opportunities Task Force (DOT Force), another initiative that emerged out of the 2000 Okinawa Summit. The Committee agrees that overcoming the "digital divide" is a worthy objective and that information and communications technologies can be harnessed to key development goals. However, as the DOT Force documents and action plans themselves acknowledge, there is still an urgent need to design specific initiatives which will genuinely improve the livelihoods of the poorest people, those with the least access to even old technologies like telephones. Richard Fuchs of the International Development Research Centre (IDRC) observed that much of the digital revolution in Africa, as in the case of the Internet, has been confined to principally expatriate institutions and "very thin slices of elite export-oriented use."²⁹ But the potential for broadening the impact is great. He noted that some of the newest technologies are also the most affordable and most accessible, so rapid strides forward are possible under the right conditions.

Recommendation 4

- **Canada should urge the G8 to work with others towards 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**

²⁹ *Evidence*, April 16, 2002, Meeting No. 68, 9:25.

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 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.**

Working Towards International Financial Reforms, Debt Relief, and Stability

The most comprehensive proposals for reforming international financial arrangements and the IFIs themselves were presented to the Committee in Montreal by the Quebec Association for the Taxation of Financial Transactions for the Aid of Citizens (ATTAC-Quebec).³⁰ However, many other witnesses also argued that reforms are imperative, particularly in regard to removing the burden of unsustainable debts for the poorest countries, and preventing or at least better managing the recurrent financial crises in the developing world. To put the problem in perspective, the World Bank has estimated that losses of some \$1 trillion due to such crises in the last 20 years are equivalent to the total amount of ODA since 1950. Most witnesses also supported the idea of putting a small tax on speculative financial transactions — the so-called “Tobin tax,” named after its originator Nobel economics laureate James Tobin who died earlier this year.

Canada has shown leadership on some of these issues, going back to preparations for the 1995 Halifax Summit. Canada has cancelled about \$1.3 billion in official debts owed by developing countries. Canada has pushed for enhanced debt relief through the IFI’s Heavily Indebted Poor Countries (HIPC) Initiative. However, Finance Minister Martin has expressed frustration at the slow progress through this process, acknowledging that only five countries have received HIPC terms and three of these continued to have unsustainable debt burdens. At the April IMF/World Bank meetings he called for quick corrective actions. Many of our witnesses would like to go much further towards an outright and unconditional cancellation of the debts of the poorest countries, arguing that in some cases debts have been repaid several times over through debt servicing, are simply unpayable, or should be repudiated as “illegitimate” in other respects.³¹

The Committee is sympathetic to the case for stronger debt relief measures on the part of the G7 countries. However we are not convinced that no elements of conditionality are needed, since this would seem to eliminate incentives while inviting further “moral

³⁰ *Submission*, February 27, 2002.

³¹ The Halifax Initiative Coalition defines “illegitimate debts” very widely to include: “debts that cannot be serviced without causing harm to people or communities, odious debts incurred to strengthen despotic regimes, debts contracted for fraudulent purposes, debts whose proceeds were stolen through corruption, debts that became unpayable as a result of creditors unilaterally raising interest rates.” (*Submission*, May 14, 2002, p. 2)

hazard.” Countries which are making efforts at poverty reduction and at good public administration, democratic and anti-corruption reforms should be entitled to more favourable consideration. As importantly, as John Hoddinott observed in Halifax: “To just write off debt without addressing the causes of that debt is not sustainable long-term development strategy. To put sustainable strategies in place takes time and effort ...”.³² He illustrated the point by reference to the case of one of the poorest African countries, Malawi, which under HIPC terms is supposed to produce a credible poverty reduction plan but does not yet have a meaningful capability to do so. The lesson we draw is that debt relief needs to be linked to other development reforms and to capacity building assistance.

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.

With regard to mitigating and hopefully preventing financial crises, we again take note of Canadian leadership in this area. Minister Martin has long advocated mechanisms for a more timely and orderly resolution of such crises. The G7 Action Plan which seems to be taking shape and will be discussed further at the meeting of G7 finance ministers in Halifax, June 14-15, would involve debt repayment standstills, collective action clauses in loan contracts that would make it easier to renegotiate debts which become unpayable, but also up-front limits on the amount of future financial bailouts. Ultimately, as outlined by Mr. Martin, it should lead to an “international bankruptcy court” which would establish clear rules and expectations to apply to cases of sovereign debt crises as now exist in domestic regimes governing financial failures.³³

The Committee welcomes movement in this direction, noting that we addressed some of these proposals at an earlier stage of development, and in the context of reforming the IMF and relieving multilateral debt burdens, in our report for the 1995 Halifax Summit.³⁴ We also appreciate the point made by the Halifax Initiative Coalition that: “A debt arbitration mechanism should be independent of IMF control as the Fund itself is a creditor and is subject to the political dictates of its largest shareholder, the U.S. While an arbitration tribunal might assist in orderly debt work-out, it will not assist in the prevention of crisis.”³⁵

³² *Evidence*, February 27, 2002, Meeting No. 61, 9:55.

³³ Paul Martin, “Foreign Debt: There’s a Better Way”, *The Globe and Mail*, May 8, 2002, p. A15.

³⁴ SCFAIT, *From Bretton Woods to Halifax and Beyond*, May 1995, p. 40-42.

³⁵ *Submission*, May 14, 2002, p. 2.

Finally, the Committee acknowledges the interest of many witnesses in a Tobin-type currency transaction tax as a possible measure to help stabilize short-term capital flows which could have the side benefit of raising funds to apply to international development goals. Indeed we agreed in our previous 1995 pre-Summit report that the idea merited G7 study.³⁶ Some witnesses mentioned the favourable resolution which was passed by the House of Commons in March 1999. While several of our witnesses were sceptical as to the feasibility and efficacy of such a tax, the Halifax Initiative submission refers to a positive February 2002 report commissioned for the German Federal Ministry for Economic Co-operation on how a transaction tax might be applied to exchanges in the new euro currency. In addition, witnesses urged consideration of other regulatory measures to exert more effective governance over the immense transnational flows of money facilitated by global financial liberalization, so that this is not exploited for international crime and even as a source of terrorist financing. The submission of ATTAC-Quebec in particular also called for a crackdown on money laundering and other forms of financial crime, as well as on tax evasion through tax havens and harmful tax competition.

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-type currency transaction tax. Canada should also push for more effective implementation of OECD conventions and other international instruments in order to combat bribery, corruption, 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.

Looking Beyond Growth: Promoting Justice and Sustainability

In a variety of ways, many witnesses told us that a standard growth-oriented paradigm of global economic development is not only not good enough, but may be leading us down the wrong path, neglecting the common good and values which matter to Canadians. Speaking with passion and compassion, they sometimes took to task the narrowness of the G8 economic agenda and challenged us to rethink certain assumptions.

³⁶ Cf. *From Bretton Woods to Halifax and Beyond*, p. 55-58, including Recommendation 18.

Of particular concern were issues involving human rights — including the right to live in peace — and linking socio-economic with ecological justice and sustainability. Witnesses argued that aid, trade, investment and other policies geared to expanding economic activity need to be governed within a framework that affirms internationally recognized rights and that results in patterns of production and consumption that will be sustainable for the global environment over the long term. Among the suggestions for the G8 were making its agenda “human rights sensitive”;³⁷ utilizing innovative indicators of human development progress; promoting the use of the OECD guidelines for multinational enterprises; applying high common standards of conduct to export credit agencies; instituting accountability standards in the international marketplace enforced through independent monitoring, auditing, and compliance mechanisms. In regard to the latter, Rev. Clint Mooney of Churches and Corporate Responsibility, Calgary Group, contended that: “Adopting an International Code of Business Ethics is a necessary ‘next step’ in ensuring that human rights standards, environmental agreements and labour standards are put into practice. The behavioural predictability and economic stability that would follow from the adoption and enforcement of such a code would be good for business, good for governments, good for the environment, and good for human communities around the world.”³⁸

With respect to environmental sustainability, some witnesses took the view that prevailing approaches to economic growth must be changed. For example, Mark Butler of the Ecology Action Centre in Halifax warned that: “Environmental degradation puts at risk whole ecosystems, whole regions, and in some cases entire countries. The economic costs and death toll from environmental degradation will, if we continue on our present path, dwarf the impacts from any terrorism attack.”³⁹ Derek Paul on behalf of Science for Peace contended that “old policies and attitudes will have to change” if the global “ecological footprint” is not to increasingly exceed its sustainable maximum.⁴⁰ Others, like Desirée McGraw, Montreal director of the G8 research group, were concerned that Canada was lagging on environmental matters, but looked to the G8 Summit in June as well as the World Summit on Sustainable Development to be held in Johannesburg in September, as providing “Canada with an ideal opportunity to re-establish its role as environmental champion”.⁴¹

In Toronto, Sarah Blackstock of Greenpeace Canada put forward as priorities for G8 attention action on climate change commitments, including the Kyoto Protocol, and on renewable energy initiatives, including the adoption of recommendations in the report of the G8 Task Force on Renewable Energy. As she put it starkly: “The energy choices the

³⁷ In that regard, in addition to the submission from Amnesty International, the Committee received a lengthy follow up brief from Rights & Democracy on “Human Rights and Democratic Development in Africa: Policy Considerations for Africa’s Development in the New Millennium in Preparation for the G8 Summit”, May 21, 2002.

³⁸ *Submission*, Calgary, May 8, 2002, p. 2.

³⁹ *Submission*, Halifax, February 27, 2002.

⁴⁰ *Submission*, “Essentials of Foreign Policy Decision Making”, Toronto, May 7, 2002, p. 24.

⁴¹ *Evidence*, February 27, 2002, Meeting No. 62, Montreal, 15:40.

world make in the next 20 years will determine our collective development path for decades to come. Shall we choose to continue to go down the 'conventional' energy development path, using fossil fuels, nuclear and other 19th and 20th century technologies, despite the fact that they are ultimately unsustainable and have not delivered even the most basic energy service to the 2 billion of the world's poorest?"⁴²

These may be provocative and contestable points of view. But they indicate very legitimate concerns about the direction of current policies and global trends, concerns which undoubtedly resonate with large numbers of Canadians and which the Committee believes the G8 ignores at its peril.

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 towards realizing international human rights, social, cultural, and environmental goals.

⁴² *Submission*, May 7, 2002, Toronto, p. 3.

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

Africa, the NEPAD and Canada's Role

When Ambassador Robert Fowler appeared as the Committee's first witness in his capacity as Prime Minister Chrétien's Personal Representative for the G8 Summit and for Africa, he made the following compelling case:

Africa, today is the only continent where poverty is on the rise. One African in five is in some manner engaged in conflict. In Sub-Saharan Africa, almost half the population of nearly 700 million people live on less than \$1 a day. Life expectancy in Africa is 47 years ... 16 years lower than the next lowest region of the world and it has declined three years in the last ten. Of the 40 million people worldwide infected with HIV/AIDS, more than two-thirds live in Sub-Saharan Africa. I could go on with the litany of alarming statistics, but suffice it to say the G8 leaders agreed with their African counterparts that this widening gap between Africa and the rest of the world cannot be allowed to widen still further.⁴³

Throughout the Committee's hearings there has been confirmation that Africa deserves a major place on the Kananaskis Summit agenda, given the unfolding human, economic and environmental security challenges which the continent faces. Despite some examples of development successes and a wealth of natural and cultural resources, the prospects are that Africa's global position will become further marginalized unless strong collective actions are taken and soon. The sum of the testimony which we received from across the country (see the selections from it in the "What Canadians Told Us" section) reflects a deeply felt response that was impressive in the scope of its analysis and critique. A lot of Canadians not only care about what happens to Africa, they are actively engaged in serious thinking about what those necessary actions should be that will genuinely improve the situation of Africa's people.

The timing of these deliberations is not coincidental, of course, and forms part of the follow up to the declaration of G8 leaders at the Genoa Summit on July 21, 2001 that they would approve a "concrete Action Plan" at this year's summit in response to a major initiative drawn up by African leaders.⁴⁴ This "New Africa Initiative" had been unanimously adopted only days earlier by the Organization of African Unity (OAU) — which will soon

⁴³ *Evidence*, January 29, 2002, Meeting No. 53, 9:15.

⁴⁴ The themes for a G8 partnership with "committed African leaders" were identified as democracy and political governance; prevention and reduction of conflict; human development by investing in health and education, and tackling HIV/AIDS, TB and malaria, including through the Global AIDS and Health Fund; information and communications technologies; economic and corporate governance; action against corruption; stimulating private investment in Africa; increasing trade within Africa and between Africa and the world; combating hunger and increasing food security." ("Genoa Plan for Africa" <http://www.g8.gc.ca/july-21-01-1-e.asp>).

become the African Union⁴⁵ — at its summit of heads of state and government in Lusaka, Zambia on July 11, 2001. A final policy framework, renamed the New Partnership for Africa's Development (NEPAD) was put in place at the first meeting of its Heads of State and Government Implementation Committee in Abuja, Nigeria on October 23, 2001.⁴⁶

The genesis of the NEPAD goes back several years further. An important catalyst in drawing attention to Africa's recovery efforts was the United Nations Millennium Summit Declaration of September 2000 which urged special support for Africa. Subsequently, in November 2000, African finance ministers asked the UN's Economic Commission for Africa (ECA) to develop an African recovery initiative following up that appeal. The ECA's work on a development "compact" was ultimately subsumed into several other Millennium responses being developed by African leaders. The presidents of South Africa, Nigeria and Algeria put forward "The Millennium Partnership for the African Recovery Programme," while the president of Senegal had introduced an "Omega Plan for Africa." At a special OAU Summit in Libya in March 2001, it was agreed that the plans should be merged — hence the birth of the New Africa Initiative which has since grown into the NEPAD.

Beyond the changing titles and acronyms, what does it all mean? The authors of the NEPAD state that its primary goals are to "promote accelerated growth and sustainable development, to eradicate widespread and severe poverty, and to halt the marginalization of Africa in the globalization process."⁴⁷ While the NEPAD plan includes initiatives to address issues of peace and security, democratic governance, environment and culture, as either conditions for sustainable development or sectoral priorities, its official list of "principles and objectives" (see Box 1) emphasizes economic recovery and development within an integrated regional and global context.

⁴⁵ The 54 countries of the OAU decided to recast the organization as the African Union in 2000. As explained to the Committee by South Africa's High Commissioner to Canada, His Excellency André Jaquet, "the OAU did a good job of helping us get rid of colonialization, but it's not a structure that can cope with the challenges such as globalization and modern challenges we face and so the new streamlined African Union has been created," with South Africa assuming the first presidency in July 2002. (*Evidence*, April 30, 2002, Meeting No. 73, Ottawa, 10:40).

⁴⁶ The NEPAD's Implementation Committee, currently chaired by President Obasanjo of Nigeria, is comprised of 15 states (that include the five initiating states of Algeria, Egypt, Nigeria, Senegal, South Africa), three from each OAU region: Central Africa (Cameroon, Gabon and the Republic of Congo); East Africa (Ethiopia, Mauritius, Rwanda); North Africa (Algeria, Egypt, Tunisia); Southern Africa (Botswana, Mozambique, South Africa); West Africa (Mali, Nigeria, Senegal). There is also a smaller "Steering Committee", composed of personal representatives of the five initiating presidents, which oversees a secretariat based in South Africa. (More details can be found at <http://www.africainitiative.org>).

⁴⁷ From the document *NEPAD in brief*, NEPAD Secretariat Web site, January 2002, p. 2-3 (<http://www.africainitiative.org/Documents/AA0010102.pdf>).

BOX 1 — PRINCIPLES AND OBJECTIVES OF NEPAD

- Ensuring African ownership, responsibility and leadership.
- Making Africa attractive to both domestic and foreign investors.
- Unleashing the vast economic potential of the continent.
- Achieving and sustaining an average gross domestic product (GDP) growth rate of over 7 per cent per annum for the next 15 years.
- Ensuring that the continent achieves the agreed International Development Goals (IDGs).
- Increasing investment in human resource development.
- Promoting the role of women in all activities.
- Promoting sub-regional and continental economic integration.
- Developing a new partnership with industrialised countries and multilateral organisations on the basis of mutual commitments, obligations, interest, contributions and benefits.
- Strengthening Africa's capacity to lead her own development and to improve coordination with development partners.
- Ensuring that there is a capacity to lead negotiations on behalf of the continent on major development programmes that require coordination at a continental level.
- Ensuring that there is capacity to accelerate implementation of major regional development co-operation agreements and projects already approved or in the pipeline.
- Strengthening Africa's capacity to mobilise additional external resources for its development.

Source: NEPAD in brief (<http://www.africainitiative.org/documents/AA0010102.pdf>), January 2002, p. 5.

Canada's role in the G8 context is not obvious on the basis of the size of our relationship with Africa. Canada has indeed spent billions of dollars over several decades on aid projects in Africa, and has announced a \$500 million "Canada Fund for Africa"⁴⁸ to support new African initiatives in line with the NEPAD and the objectives to be set out in the G8 Africa Action Plan to be adopted at the Kananaskis Summit. An increasing number of Canadians have African ancestry, including the Chair of this Committee, or have personal experiences of living and working in African countries. There are strong relationships between many Canadian NGOs and partners in Africa, as was evident from our hearings. At the same time, some witnesses pointed out that our credibility has been hurt by a sharp decline in ODA commitments to Africa during the past decade. One of these witnesses, John Hoddinott in Halifax, observed that he is probably the first professor working on African issues to be appointed in a Canadian university economics department in the last 12 years.⁴⁹ Research by the North-South Institute also shows that

⁴⁸ Legislation authorizing the Fund was passed by Parliament in March 2002 as part of the Budget Implementation Bill C-49. The Minister for International Co-operation was subsequently designated as the Minister responsible for its operations. According to the testimony of CIDA President Len Good to the Committee on May 23, the Fund will be managed as a separate fund within CIDA.

⁴⁹ *Evidence*, February 27, 2002, Meeting No. 61, 9:15.

Canada's trade and investment relationship with Africa remain tiny: 0.75% of our imports and only 0.33% of our exports; total private direct investment of \$1.2 billion, heavily concentrated in a few natural resource sectors.⁵⁰

Apart from the personal commitment of the Prime Minister as Summit host, one of Canada's potential comparative advantages in delivering timely action on Africa's needs may be that Canada does not carry the weight of historical colonial or great-power interventions. As was observed to the Committee in Vancouver by John Atta-Mills, visiting scholar at the Liu Centre and a former Vice-president of Ghana who worked on developing the NEPAD, the presence of Canada is welcomed in Africa as that of a "genuine, loyal and trusted friend" with "a good track record." Canada, he contended, despite its quiet profile, "indeed has influence" as an important voice within the G8 and can be counted on to "seek Africa's best interest."⁵¹ But this praise from prominent Africans also puts an onus on Canada to achieve significant results from the Kananaskis meetings.

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

A certain healthy scepticism is perhaps understandable approaching another plan for Africa, promising as it may seem on the surface. Previous plans have come to nought, as the submission from the Canadian Labour Congress reminded the Committee. As a case in point, Mr. Atta-Mills has noted⁵² that the 1980 Lagos Plan of Action was stillborn with the advent of the Structural Adjustment Programs (SAPs) imposed on African debtor nations by the IFIs during the ensuing decade, the negative consequences of which continue to the present day. Yet he argued strongly that this time things will be different, not the least of which is that, as he put it: "For the first time African leaders are admitting our own shortcomings and inadequacies."⁵³ Ongoing accountability is to be addressed through NEPAD's "peer review" mechanism. African leaders also present a posture of reaching out to the rest of the world on the basis of a continent-wide solidarity around common goals determined by and for Africans. In short, NEPAD leaders give the impression of an Africa ready and willing to forge truly mutual partnerships that will close the development gap and allow it to fully integrate into the global community. These are appealing messages which ran through the forceful presentations made to the Committee by African ambassadors on April 30.

The Committee welcomes the assurance given by Ambassador Fowler on April 25 that a group of African leaders will be participating in the discussion on a G8

⁵⁰ Chantal Blouin, *La politique commerciale du Canada envers l'Afrique*, Presentation to the National Forum on Africa, February 9, 2002 (http://www.nsi-ins.ca/news_views).

⁵¹ *Evidence*, May 6, 2002, Meeting No. 76.

⁵² In an address to the Africa/NEPAD Conference organized by CIDA in Montreal, May 4-5; submitted to the Committee in Vancouver, May 6, 2002.

⁵³ *Evidence*, May 6, 2002, Meeting No. 76, Vancouver.

action plan on the second day of the Kananaskis Summit. As former “sherpa” Gordon Smith observed, there is “a high level of expectation in Africa” going into that meeting, so much so that — “better to make no commitments than promises not accompanied by action plans — and then real action.”⁵⁴ Early on in our hearings, Professor Gerald Helleiner, the dean of Canadian economists on issues of African development, outlined eight areas in which policy reforms could be pursued in conjunction with the NEPAD. But he then cautioned that: “If some G8 members will not seriously embrace the suggested new development partnership, let Canada join those — within the G8 or without it — who will. And let us, in that case, abandon the search for an inevitably watered-down ‘G8 Plan of Action’.”⁵⁵

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 towards 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.

Among the most comprehensive and detailed of the critical assessments received by the Committee from witnesses is an April 2002 commentary on the NEPAD prepared by the coordinating committee of the Africa-Canada Forum, a working group of the Canadian Council for International Co-operation (CCIC).⁵⁶ A number of other witnesses raised concerns similar to those expressed by CCIC. At the risk of simplification, the principal flaws as identified by them are as follows: (1) that the NEPAD is the product of a very top-down, leader-driven process which has not involved the participation of African civil society and is therefore little known or appreciated by African citizens; (2) that the NEPAD is too accepting of the dominant model of economic globalization and, rather than seeking fundamental alternatives to the status quo, offers what CCIC’s Gerry Barr described as “repackaged, old and unsuccessful strategies that have been tried in Africa before”;⁵⁷ (3) that situations like the recent elections in Zimbabwe could make a hollow claim of the NEPAD’s promises of adherence to democratic “good governance” principles; (4) that the desire to obtain a G8 “seal of approval”, and to meet donor conditionalities for new funding, could weaken elements of the NEPAD and soften pressures on the G8 to reform their own policies.

Some of these criticisms may be overdrawn. As well, the point was well made by Mr. Atta-Mills in Vancouver that leadership has to come from somewhere, and better that

⁵⁴ *Submission*, Vancouver, May 7, 2002, p. 1.

⁵⁵ *Submission*, Helleiner, “New Challenges in Global Development: How Canada and the G8 Should Respond,” January 31, 2002, p. 5.

⁵⁶ Received by e-mail on May 13 further to the appearance by CCIC President and CEO Gerry Barr in Toronto on May 7, 2002.

⁵⁷ *Submission*, Toronto, May 7, 2002, p. 6.

it come from some of Africa's most progressive elected leaders. The Kananaskis Summit could be a historically unique opportunity to build a better relationship with Africa. To allow that to pass by is not an option. The Committee therefore reiterates its view that the NEPAD be given a chance to prove itself in tandem with the elaboration of a G8 action plan that can, like the NEPAD framework itself, continue to be evaluated and improved over time.

In that regard, the Committee has benefited from the substantive suggestions contributed by witnesses. Those of Professors Helleiner and Hoddinott have already been mentioned; other experts provided similarly enriching perspectives. Labour federations across the country addressed the African development agenda, with the Canadian Labour Congress (CLC) submitting a detailed statement on African partnership containing 13 recommendations.⁵⁸ The CCIC submission referred to above was among a rich body of NGO input into the hearings process. Some of these submissions, notably from World Vision and Oxfam Canada, offered wide-ranging and specific practical proposals directed towards a Summit action plan.⁵⁹ In different parts of the country, knowledgeable concerned citizens also gave us valuable ideas on African development issues.

In light of that testimony, the Committee in the sections that follow comes to a series of its own recommendations on key elements for an effective G8 action plan for Africa, understanding that these should be seen as a work in progress. But first we want to let witnesses be heard from in their own words.

WHAT CANADIANS TOLD US

We believe a true partnership is a political relationship, not a bureaucratic funding mechanism. ... We need a partnership between the African and the G8 leaders, and we also need partnerships among the African governments and between the African governments and their own people. Every effort must be made to ensure that African peoples can, through their civil society organizations in addition to representation by government, participate fully in the discussions.

St. John's and District Labour Council, *Submission*,
February 25, 2002, p. 9-10

⁵⁸ *Submission*, "Labour and Africa: The Way Ahead through Real Partnership," Annex, Ottawa, April 30, 2002.

⁵⁹ *Submission*, World Vision Canada, "Ubuntu: Eight for the G-8 — New Directions for the Action Plan for Africa," Toronto, May 8, 2002; *Submission*, Oxfam Canada, "Taking Action on Africa: Proposals for G8 Leaders," presented by Trevor Mackenzie-Smith in Saskatoon, May 10, 2002.

As Canadians we demand action that is concrete, measurable, and progressive, with the end result being the creation of a just society for all African countries.

Emma Rooney, The Lantern, St. John's, *Evidence*,
February 25, 2002, Meeting No. 58

We believe that the \$500 million earmarked for the Africa trust fund this year should be viewed as start-up funding, that long-term planning is required, and that selecting priorities for this money is of little use if the projects are not sustained.

Christopher Youé, President, Canadian Association of African Studies, St. John's, *Evidence*, February 25, 2002, Meeting No. 58

The creation of effective, balanced and independent performance monitoring and evaluation systems (or not) constitutes the "acid test" of the seriousness of donors about their rhetoric concerning "new partnership", "aid coordination", and the desirability of "local ownership". The NEPAD has specifically asked for such new, more balanced, aid relationships.

Professor Gerald Helleiner, *Submission*, January 31, 2002, p.3

The great danger, as we approach the Summit, is that the desire to make a success of NEPAD will get in the way of our reacting positively to the obstacles that it must overcome. And the "weakness" is not ours alone. ... Both partners have needs, and both have contributions to make; the most significant one we can make is to energize the training and capacity building which Africa needs now in order to be able to meet what it sees as "pre-conditions" for sustainable development, enabling African states to overcome the horrendous obstacles in the way of Recovery: HIV/AIDS, Conflict, and Corruption."

H. John Harker, "Human Security in Africa: A Way to Recovery",
Submission, Halifax, February 26, 2002, p. 11

Countries that enacted and sustained economic and institutional reforms have witnessed remarkable improvements in living standards. Since the early 1990s, income poverty has fallen by more than 20% in Ghana, rural Ethiopia, Mauritania and Uganda. Awareness of both Africa's development failures and successes is important, not only for having a correct understanding of the historical record, but also for an appreciation of the design, implementation and impacts of renewed efforts to facilitate African development. ... The principal goals of the G8 Action Plan should be to reduce the proportion of people living in poverty by half by 2015 and to make meaningful improvements in health attainments.

Professor John Hoddinott, Halifax, *Submission*,
February 27, 2002, p. 1

... my message is that we do need a new partnership. In my opinion, and the opinion of the groups I take part in, NEPAD does not propose any changes to the structures that have been set up over the past 10 years and that have turned the continent into a mere beggar, to put it crudely. There are things that need to be done here to change that, and to make the international community more accountable in conflicts with an international dimension and to force and

encourage Canadian companies to be good corporate citizens wherever they operate, here or in Africa.

Denis Tougas, *Evidence*, February 28, 2002, Meeting No. 64, Montreal

[Africa's] diversity is one of the obstacles that the G8 members must overcome in order to solve the problems undermining the continent that gave birth to humanity. Ideally the G8 and Canada would address the problems of each African country individually in order to find lasting solutions that take specific problems of each country into account.

Félicité Tchapda, Social Democratic Front of Cameroon, *Submission*, Montreal, February 27, 2002, p. 1

What we hear from our partner organizations is that they wish they had been included in [the NEPAD]. ... There is hesitation in some quarters, in large part, I think, because civil society organizations have felt excluded. So we have to look not just at the goals that NEPAD outlines, but also at the process of how we're going to achieve them.

Derek MacCuish, *Evidence*, February 27, 2002, Meeting No. 62, Montreal

Women must be able to participate actively and effectively in every decision-making process. The exclusion of women from the decision-making process in Africa is an absolute tragedy. Women are becoming more and more vocal in demanding to be involved, especially in political negotiations, at the national, regional and international levels.

Jeannine Mukaniirwa, *Evidence*, February 28, 2002, Meeting No. 64, Montreal

Robert Fowler has stated that NEPAD is "about putting in place the conditions that will allow investment to come to Africa, because private investment is going to bring to Africa far, far more than any foreseeable amount of global assistance could bring". It's precisely these conditions that have many representatives of African civil society most worried.

Eric Squire, *Evidence*, February 28, 2002, Meeting No. 64, Montreal

Knowledge is power. If advocates are not given the knowledge they need, there will be neither participation nor democracy. NEPAD is designed to be a springboard for collective action. However, communities are totally unaware of its existence. ... In addition, the proposals do not take into account the failure of various structural adjustment programs. ... Consequently, we must undertake a comprehensive review of these programs in order to be able to put forward an all-encompassing proposal for Africa which would really address basic problems.

Francine Néméh, Association québécoise des organismes de coopération internationale, *Evidence*, February 27, 2002, Meeting No. 62, Montreal

The G8 response to NEPAD and the implementation of any such action plan must ensure a fulsome opportunity for civil society input. ... The ultimate goal must be to deliver policies and programs which are truly responsive to the needs of African peoples.

Alex Neve, Amnesty International Canada, *Submission*,
Ottawa, April 4, 2002, p. 2

G8 leaders should withhold endorsement of NEPAD until public consultations have been held within African nations. These consultations should invite the participation of academics, civil society representatives, trade unions, and other stakeholders, be transparent in nature and provide a process for ongoing civil society participation in development policy decision-making. ... G8 leaders must apply a human rights framework as they assess their role in supporting the development needs of Africa.

Akouété Akakpo-Vidah, Africa Regional Officer,
Rights & Democracy⁶⁰

African unions are supportive of a development agenda that would put emphasis on democracy, on debt relief, on the development of a social safety net, as well as on peace initiatives. They place a high priority on fostering sub-regional and regional integration as intermediary steps to gradually integrate with the rest of the world. ... We feel that, as a priority, G8 governments should now be directing their aid agencies to examine all opportunities for ensuring that African peoples are fully informed about NEPAD deliberations and planning, and are capacitated so as to respond to opportunities to discuss these among themselves and with African governments.

Ken Georgetti, Canadian Labour Congress, *Submission*,
p. 9 and "Annex", p. 6, Ottawa, April 30, 2002

Public funds supplied to NGOs for African rural development, compared to other approaches of expending funds, provide much better returns for the dollars provided. Because these programs are carried out as partnerships, rural people have a say in planning and execution, so these practices are also much more likely to become permanent. These programs also increase the use of food crops for families, water supplies, housing, nutrition, health and the education of children.

John McConnell, *Submission*, Saskatoon, May 10, 2002,
p. 6-7

If Canada truly wants to encourage the elimination of poverty in Africa and engage in a truly new form of partnership with Africa, the Canadian government should support debate in African civil society on the NEPAD. The plan should be sent back to Africa for consultation.

Gerry Barr, Canadian Council for International Co-operation,
Submission, Toronto, May 7, 2002, p. 7

⁶⁰ *Submission* intended for Toronto, May 8, 2002 received by e-mail May 16, "Summary of Recommendations", p. 1.

Popular support for the Action Plan is essential in Africa and in the North. To date, a lack of significant reform to international trade, investment and politics has resulted in only a minority of Africans benefiting from greater integration into the global economy.

Linda Tripp, World Vision Canada, *Submission*, Toronto,
May 8, 2002

NEPAD's primary audience is clearly not African citizens but rather Northern donors and institutions. It therefore repeats the approaches of Northern donors and institutions [that] cannot be relied on to eradicate poverty, protect the environment or equitably distribute wealth. ... A giant leap and possible elements of a G8 action plan for Africa would include cancellation of the debt, the creation of democratic and transparent multilateral co-operation mechanisms, requiring high performance standards on trade financing and investment, the implementation of a currency transaction tax, and the de-linking of aid from all types of externally imposed conditions, and pre-conditions to aid.

Halifax Initiative Coalition, *Submission*, May 14, 2002, p. 2 and 4

We recognize that there are flaws with the New Partnership for Africa's Development. Our African partners and other civil society organizations in Africa have begun to identify these flaws. There has been little consultation with citizens in Africa in the development of the plan. There is too little attention given to some of the critical social investments required in the area of health and education to achieve the economic growth and poverty reduction desired. Many question the economic framework being proposed. Nevertheless, we believe it is important that Canada engage with this plan, work with African leaders and African civil society to improve and strengthen the plan, and provide substantial financial support to those components of the plan that will substantially reduce hunger and poverty. The \$500 million already allocated must be seen as just a start.

Jim Cornelius, Canadian Foodgrains Bank, *Submission*,
Winnipeg, May 6, 2002, p. 2

Despite the grim statistics, there are grounds for optimism. The spread of democracy and the growing strength of African civil society offer new tools for tackling the root causes of poverty and conflict. And recent efforts by African and G8 leaders to work together are a step in the right direction. The New Partnership for Africa's Development (NEPAD), as it stands today, suffers from a lack of input from African civil society and an apparent failure to adequately incorporate lessons from past economic policy approaches. Yet we believe that the G8 should seize this opportunity to engage with the continent, and should commit to concrete actions that will support lasting peace and development. We believe the G8 leaders should set the bar quite high, and Canada should continue to exercise strong leadership in preparing the ground for progress at Kananaskis.

Oxfam Canada statement presented in Saskatoon by Trevor
Mackenzie-Smith, May 10, 2002, p. 1

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

Of the testimony cited above, the last two statements from the Canadian Foodgrains Bank and from Oxfam Canada, in particular, help to put matters in perspective. While critically assessing the issues surrounding the NEPAD and donor policies, it is not only possible but necessary to work towards getting agreement at the Summit on realistic actionable commitments. As Joseph Nye advised the Committee in another context, in multilateralist diplomacy a more inclusive result can usually be obtained when the perfect (even assuming we know what it is) does not become the enemy of the good. In that spirit, we put forward the following as priorities for making the best and broadest possible start at Kananaskis.

1. Peacebuilding as a Condition for Sustainable Human Development

As recognized in the NEPAD, acknowledged by African ambassadors in their testimony to the Committee, and as we heard from many witnesses, conflict resolution and prevention are essential preconditions for moving Africa on to a sustainable development path.

Amnesty International highlighted the areas of curbing the arms trade, including through transparent international registers and accountability mechanisms and assistance for the collection and destruction of illicit small arms; control over conflict or “blood” diamonds through implementation of an improved “Kimberly Process”; corporate social responsibility measures;⁶¹ measures to deal with impunity and other gross and systemic threats to human rights.⁶² Other witnesses made similar proposals. Noting the degree to which G8 countries are implicated in Africa’s wars, World Vision urged G8 governments to table specific arms control actions and to “support the implementation in Africa of the UN Programme of Action on Small Arms.”⁶³ Oxfam called for “an International Arms Trade Treaty to prohibit weapons transfers to where they might be used in breach of international humanitarian law and human rights.”⁶⁴ A submission from the United Nations High Commission for Refugees (UNHCR) underscored related problems of large

⁶¹ *Submission*, May 8, 2002. In Calgary, Clint Mooney argued that a G8 commitment to best practice in terms of an international code of business ethics would not only “assist African entrepreneurs and governments to build a base that is just and sustainable. Such an enforced Code would promote security by ensuring suspension of business operations in zones of conflict where protection of human right, for example, could not be guaranteed.”

⁶² *Submission*, April 4, 2002. Rights & Democracy in its May submission also called for high-level attention to the “human rights of women in war zones” and for G8 leaders to “use their diplomatic, political and financial resources toward resolving key conflicts and strengthening peace processes in Africa.”

⁶³ *Submission*, “Obuntu: Eight for the G-8,” p. 5.

⁶⁴ *Submission*, “Taking Action on Africa: Proposals for G8 Leaders,” p. 1-2.

numbers of refugees and internally displaced persons, urging that their reintegration “be given more focused attention in both the NEPAD and in the G8 Action Plan, in the broader context of post-conflict rehabilitation.”⁶⁵ Former Foreign Minister Lloyd Axworthy, who appeared on behalf of the Liu Centre in Vancouver, also underlined regional peacekeeping contexts and tabled a report prepared to help guide CIDA’s work on security-development linkages.⁶⁶

The complex challenges of these linkages and the economic/social/political roots of conflict were also raised by other academic witnesses. John Harker and Sandra MacLean, from Dalhousie University’s Centre for Foreign Policy Studies advocated a comprehensive human security approach for Africa. Professor MacLean argued that peace and conflict situations are not just separate or regionally specific problems, but are in fact “linked in various ways, not only in terms of the relationship between poverty and insecurity, or between poor governance and insecurity, but in terms of the illegal transnational networks that now have unprecedented opportunities for exploitation because of unregulated or inadequately regulated trade and investment routes.”⁶⁷ Miriam Gervais of McGill University’s Centre for Developing Area Studies made the point in the Committee’s first panel that, while donor budgets may have dropped due to “aid fatigue,” the public in donor countries would not allow them to ignore the consequences of African conflicts. So — “Paradoxically, this humanitarian aid proved very costly and placed a great deal of pressure on the budgets earmarked for development programs. In the case of Rwanda alone, Canada provided close to \$75 million in humanitarian aid between 1994 and 1998.”⁶⁸ The price of inaction on the causes of conflicts is likely to be high. As she put it:

It is therefore in Canada’s interest and that of the other G8 countries to reduce the major sources of political and economic crises that threaten the security of the African people by providing significant support for reforms and initiatives designed to make lasting improvements in poverty elimination and human security in Africa for all its people. This therefore involves a firm, long-term commitment on the part of the G8 member countries.⁶⁹

⁶⁵ *Submission*, “Issues Related to the 2002 G8 Summit: Durable Solutions for Africa’s Refugees and Displaced People,” April 9, 2002, p. 5. The UNHCR estimates there are 3.6 million refugees and 13.5 million displaced persons in Africa. It also notes that resettlement of refugees to third countries is “exceptional and limited in scope. During 2001, only roughly 20,000 African refugees were resettled to other countries, of whom 2,631 to Canada.” p.4.

⁶⁶ *Development, Conflict and Peacebuilding: Responses for Canada*, Liu Centre for the Study of Global Issues, University of British Columbia, 2002.

⁶⁷ *Evidence*, February 26, 2002, Meeting No. 59, Halifax, 13:00.

⁶⁸ *Evidence*, January 31, 2002, Meeting No. 54, 10:10.

⁶⁹ *Ibid.*

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.**

2. Providing Aid that Benefits the Poorest

Given the very mixed record, to say the least, of much past aid to Africa, there are grounds for close scrutiny of any additional promises of assistance. At the same time, in the Committee's first panel both Roy Culpeper and Gerald Helleiner insisted that increased aid flows are still very necessary and that private-sector trade and investment, while offering greater potential over time under the right conditions, cannot in the foreseeable future substitute for substantial new aid to the poorest African countries. They were joined in this view by many other witnesses, who also criticized the G8 record on aid commitments (Professor Helleiner pointed to a roughly 40% drop in overall ODA flows to Africa over the course of the 1990s), its weak coordination, and the tying of aid to donor-country purchases along with other donor government policies and practices which may further increase the transaction costs of aid while diminishing its poverty reducing effectiveness.

Some witnesses linked the issue of aid to developed-country policies in other ways. For example, Oxfam argued that in order to achieve the Millennium development targets which the Committee discussed in Chapter II, "G8 and other key donor governments should increase their aid budgets to Africa by US\$40 billion each year. This is the equivalent of approximately six weeks subsidy to agribusiness in OECD countries".⁷⁰ Professor Hoddinott, who made a similar point about the cost to developing nations of rich-country agricultural subsidies, argued that proven priorities and credible policy frameworks can make aid to Africa "work". To achieve poverty-reducing growth he emphasized principally: investments in public health, "better institutions (public sector

⁷⁰ *Submission*, "Taking Action on Africa," p. 2.

capacity, contract enforcement, infrastructure), appropriate and stable macro policy, improvements in infrastructure (people living in regions poorly served by infrastructure are unlikely to benefit from growth) and renewed investment in agriculture.”⁷¹ Rural development and food production were also stressed in presentations from the Canadian Foodgrains Bank and Howard McConnell.

Other important instruments raised by witnesses were micro-credit finance and various kinds of capacity-building assistance. Christopher Youé recommended promotion of knowledge transfers and exchanges of expertise. However, Professor Ian McAllister cautioned that much of the capacity-development assistance to date has been too short-term, ad hoc, and has failed to draw more than anecdotal “lessons learned.” As he put it bluntly: “We really know very little about the long-term impacts of Canadian assistance that has allegedly been capacity-building in Africa or elsewhere.” He argued for stronger institutional connections with Africa that would “facilitate more consistent research, training and community development activities.”⁷²

On really tackling aid effectiveness, Professor Helleiner made the point most strongly about “an absolutely critical need [for] the independent monitoring and evaluation of performance, not simply of African governments — whose performance is thoroughly assessed by donors and international financial institutions on a regular basis already — but also of the performance of external donors. Much of the perceived ‘failure’ of earlier aid effort is attributable to deficiencies and defects in delivery mechanisms, and inability or unwillingness to transfer ownership to locals. ... This monitoring, assessment and reporting must be undertaken by independent people; moreover, it must be undertaken at the level of individual African countries.”⁷³

The Committee’s witnesses, like participants in the National Forum on Africa conducted by the Canadian Centre for Foreign Policy Development,⁷⁴ disagreed on how, and even whether, evaluative “conditionalities” should be applied to African aid recipients. There is much distrust of the donors’ measuring sticks, along with worries that this will lead to a process of picking aid “winners” which leaves behind many of the poorest countries. We understand these concerns but we also see merit in raising the bar for *both* donors and recipients simultaneously. As suggested by Professor Hoddinott:

Assistance should differentiate across countries. Where institutions and governance are weak — and where there is little meaningful commitment to poverty reduction — assistance should focus on working to rectify those weaknesses but should not include significant financial support. Countries receiving financial aid should have a credible record with respect to governance, civil liberties, and poverty

⁷¹ *Submission*, Halifax, February 27, 2002, p. 1-2.

⁷² *Submission*, Halifax, February 26, 2002.

⁷³ *Evidence*, January 31, 2002, Meeting No. 54, 9:15.

⁷⁴ *Putting Africans First: A Way Forward for Canada’s Africa Policy*, Report prepared by the Centre, Department of Foreign Affairs and International Trade, May 2002, p. 4. (For information on the forum sessions held in four cities in January and February see <http://www.ecommons.net/ccfpd-africa>).

reduction. The conditions for receiving aid should be based on “outcomes” not “inputs”, transparent, and consistently applied; furthermore, G8 countries must put in place mechanisms that demonstrate that they themselves will not renege on commitments to assist countries that attain these credible records.⁷⁵

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.**

3. *Supporting Public Health and Education Priorities*

As indicated above, public health investments were mentioned by many witnesses as being crucial, particularly given the devastating impact of the HIV/AIDS crisis from which 16 million Africans have already died and which cuts across virtually every dimension affecting Africa’s development, as described in detail by John Harker’s submission.⁷⁶ Also in Halifax, John Hoddinott put the broader case eloquently: “Improvements in health outcomes — including reductions in malnutrition and morbidity as well as infant and maternal mortality — are highly desirable, not only because better health is an important development objective in its own right, but also because better health makes individuals more economically productive and because many improvements in health status are technologically achievable in the short run at low cost.”⁷⁷ Yet as Catherine Little pointed out in Calgary, the poorest African countries spend only “\$5-10 per person per year on health which cannot possibly support a functioning health

⁷⁵ *Submission*, Halifax, February 27, 2002.

⁷⁶ The submission of the National Union of Public and General Employees, which focused on this development challenge above all, noted that in 2001 AIDS claimed the lives of 2.4 million Africans and there were an estimated 3.8 million new HIV infections bringing the total to 25.3 million, of whom 55% are women (“The G8 in Kananaskis: Time for Change”, March 21, 2002, p. 21). Within those statistics there are also paradoxes. Botswana, which has impressed many donors with its stable democratic political leadership and which John Hoddinott singled out for having the fastest growing economy of any country in the world since 1965, is also noteworthy for having the world’s highest rate of HIV infection at 38.5% of the adult population (Cf. “Aids in southern Africa — Fighting Back”, *The Economist*, special report, May 11, 2002, pp. 25-27).

⁷⁷ *Submission*, Halifax, February 27, 2002, p. 2.

system...”⁷⁸ At the same time, according to Hoddinott, “concerted public action can pay off; in Uganda, [HIV/AIDS] prevalence rates among adults have fallen from 18.5% to 8.3% in the latter half of the 1990s.”⁷⁹

A number of submissions received by the Committee expressed concerns that action on health, and especially on the AIDS pandemic, has still not sufficiently registered with African and G8 leaders. For example, the letter to the Prime Minister from the Interagency Coalition on AIDS & Development and the Canadian Labour Congress observes that, “beyond water and sanitation, the strategic framework of NEPAD is silent on health infrastructure development”, which was identified as an urgent priority for ODA funding. Witnesses called for full financing of, or at the very least increased support for, the Global Fund to fight AIDS, TB and Malaria, discussed in Chapter II. Oxfam wants G8 leaders to advocate that the Fund use “the cheapest, good quality medicines available, including generic drugs”. The National Union of Public and General Employees demanded changes to global patent rules, support for buying generic drugs, for clinics and vaccine development.⁸⁰

NGOs, labour organizations and others argued for a reformed post-Doha TRIPS (Trade-Related Aspects of Intellectual Property Rights) Agreement at the WTO to permit low-cost drug imports in African countries lacking domestic manufacturing capability. The Committee agrees and has accordingly addressed this issue in Recommendation 6 of the recent report of its Trade Sub-Committee.⁸¹ The Canadian Labour Congress also called for G8 leaders to promote the ILO’s Code of Conduct on HIV/AIDS and the World of Work.⁸² And in Montreal, Henri Massé of the Fédération des travailleurs et travailleuses du Québec urged Canada to “convince the other G8 countries of the importance of encouraging their African counterparts to seriously consider how they can channel the energies of the entire society — including the union movement — into the fight against HIV/AIDS.”⁸³

Gerald Helleiner suggested that another area of “major underfunded activities carrying high developmental returns”, in addition to that of “research on tropical diseases ... that does not offer the prospect of profit for private pharmaceutical companies because of the poverty of the potential beneficiaries,” is “improved health and education for poor African children, especially girls, through UNICEF and other channels.”⁸⁴

⁷⁸ *Submission*, Calgary, May 8, 2002, p. 2.

⁷⁹ *Op.cit.*, p.1.

⁸⁰ *Submission*, “The G8 in Kananaskis: Time for Change,” Ottawa, March 21, 2002, p. 22.

⁸¹ *Building an Effective New Round of WTO Negotiations: Key Issues for Canada*, May 2002, p. 22.

⁸² *Submission*, “Labour and Africa: The Way Ahead through Real Partnership,” April 30, 2002, p. 15.

⁸³ *Submission*, Montreal, February 27, 2002, p. 3.

⁸⁴ *Submission*, Ottawa, January 31, 2002, p. 3.

The Committee welcomes Canada's support to date to the Education For All (EFA) initiative and through the G8 Basic Education Task Force as outlined to us by CIDA President Len Good on April 25. But witnesses presented strong arguments to do more. Randy Rudolph with the Calgary G6B organizing group pointed out that in Sub-Saharan Africa 40% of primary school-age children do not go to school, and that unlike other regions, this number is still rising. He argued that: "Without significant progress in basic education, few, if any, of the international goals in infant mortality, child malnutrition, gender equality, and disease prevention are likely to be achieved." He requested that Canada lead G8 countries to endorse "the principle that any country that is seriously committed to EFA and faces a financing gap will receive rapid access to the additional aid and debt relief needed to close that gap."⁸⁵ Oxfam called for a US\$ 4 billion increase in donor spending on education "to fill in financing gaps in countries which have developed sound education plans. A US\$1 billion down-payment at Kananaskis would ensure rapid progress in 15 to 20 countries."⁸⁶ The Committee also received a submission in Toronto from Inclusion International asking that the special needs of handicapped children be taken into consideration in G8 initiatives supporting basic education in Africa.

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 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.**

⁸⁵ *Submission*, Calgary, May 8, 2002, p. 4-5.

⁸⁶ *Submission*, "Taking Action on Africa", Saskatoon, May 10, 2002, p. 2.

4. Reforming International Trade, Investment and Finance

Christopher Youé, President of the Canadian Association of African Studies pointed out that Africa's share of world trade has in a sense "become less globalized in the last 30 years since independence," falling from a high of about 3% then to around 1% now. The actual figure is 1.3%, and in fact, Sub-Saharan Africa's slice of global trade shrank by one-quarter over the 1990s. Nor has the multilateral trade liberalization of recent years prevented many poor African countries from becoming poorer or the marked deterioration in the terms of trade for African countries dependent on commodities exports excluding oil. Professor Youé also pointed to continuing tariff barriers on African goods, especially textiles and foodstuffs, which could be removed for the least developed countries.⁸⁷ However, labour witnesses tended to qualify their support for this. For example, the CLC's submission called on the G8 to: "Ensure market access for African countries' products within a broad development strategy, including job creation, the respect for core labour rights, increased ODA, and debt forgiveness — with proper mitigation measures taken in Canada towards Canadian workers who may lose out."⁸⁸

Better market access is only one part of the story. Witnesses often linked trade with IFI and other reforms. As Oxfam put it: "Africa gets a particularly raw deal when it comes to trade. ... Agricultural dumping and IMF and World Bank riders forcing African countries to liberalize imports have seriously undermined development efforts." At the same time, Oxfam called for G8 leaders "to take up Canada's lead and open their markets to all Africa's products" and to "agree to a timetable to phase out export subsidies."⁸⁹ Many witnesses also called for inclusion of a "Development Box" within the WTO's Agreement on Agriculture, to, as Gerry Barr of CCIC put it, "protect the livelihoods of small farmers, encourage local food production and promote food security."⁹⁰ He and others also argued for other policy flexibility "in intellectual property agreements to ensure protection for small farmers rights to save and sell seeds, to ensure access to affordable medicine, and to stimulate technology transfer."⁹¹

Moreover, Professor Helleiner cautioned that it is "an illusion" to expect that simply reducing trade and investment barriers will do much for poor African countries. "Rather, the poorest countries need investment, which will have to be primarily governmental, in the infrastructure, skills and other elements of supply capacity that will enable them to respond to expanded market opportunities." He called for effective "special and differential treatment" within the WTO system; "high-quality and demand-driven ... assistance for these countries as they seek to negotiate equitable trade and investment agreements, implement earlier agreements in ways that meet their

⁸⁷ *Evidence*, February 25, 2002, Meeting No. 58, St. John's, 14:10.

⁸⁸ *Submission*, "Labour and Africa: The Way Ahead through Real Partnership," April 30, 2002, p. 16.

⁸⁹ *Submission*, "Taking Action on Africa," p. 2.

⁹⁰ *Submission*, Toronto, May 7, 2002, p. 9. See also footnote 23, *supra*, and Recommendation 2 in this report, as well as Recommendation 2 in our Nineteenth Report, *op.cit.*, p. 17.

⁹¹ *Submission*, Toronto, p. 9.

needs, defend their negotiated rights, and build their own legal and policy-making capacities to do these things for themselves.”⁹² Others strongly agreed that a fairer as well as freer international trading system was required in order for Africans, especially the poorest, to see real and sustained benefits from liberalization.

With respect to foreign direct investment, financial flows and debt, most witnesses also saw the need for deeper reforms. Africa’s share of global investment is less than 1% and most of that has gone into a few resource extraction sectors. There is a net capital outflow from Africa. Add to that estimates by Professor Hoddinott that some 40% of the stock of wealth accumulated by Africans in the past 30 years is held outside the continent.⁹³ Clearly creating a better investment climate has to be a consideration. However, there are also plenty of pitfalls along that path. World Vision’s submission warned that: “Competition for foreign investment often pits countries against one another, and human development goals are sacrificed for short-term financial needs.” This witness therefore called for the G8’s Africa Action Plan to “set a new direction, including support for full cost-benefit analysis of all proposals to identify who will benefit and who will pay the costs [and] enforceable measures to protect the environment, comply with international human rights standards, and strengthen public accountability.”⁹⁴ Noting the questionable ethics and legality of some commercial exploitation of African natural resources, the profits of which sometimes fuel conflicts, Oxfam was among those calling for the G8 to make compliance with the OECD’s Guidelines on Multinational Enterprises “a condition of eligibility for all government guarantees and export credits”. As well, “G8 leaders should endorse the [UN] Draft Fundamental Human Rights Principles for Business Enterprises and call for a binding international regulatory framework based on these principles.”⁹⁵

There was strong support among witnesses for additional debt relief to ease the plight of poor African countries and for reforms to IMF/World Bank structures and policies, including their prevailing poverty reduction strategies, which many see as having hurt more than helped. Some debt proposals were selectively modest; for example, the UNHCR’s that “the G8 countries could envisage debt relief measures for countries hosting large refugee populations, such as Guinea and Zambia, as well as for those to which refugees are returning in large numbers.”⁹⁶ Oxfam asked that debt relief “be extended so that debt servicing does not undermine financing for the Millennium Development Goals, or take up more than 10% of government revenue.”⁹⁷ Others called for fair and agreed-upon international debt arbitration mechanisms but also went much further, supporting “accelerated and unconditional” relief (CLC brief), up to immediate full cancellation of the debts of all least developed poor and highly indebted African countries

⁹² *Submission*, Ottawa, January 31, 2002, p. 4-5.

⁹³ *Evidence*, February 27, 2002, Meeting No. 61, Halifax, 9:45.

⁹⁴ *Submission*, “Obuntu: Eight for the G-8,” p. 6.

⁹⁵ *Submission*, “Taking Action on Africa,” p. 1.

⁹⁶ *Submission*, April 8, 2002, p. 6.

⁹⁷ *Submission*, “Taking Action on Africa,” p. 2.

(though some of these witnesses, e.g. the CLC, may have argued at the same time for stringent human rights/labour rights conditionality to be applied to market access measures and private investment flows).⁹⁸ In the view of the Halifax Initiative Coalition, the G8 must call on the IFIs to use their own resources for debt cancellation, and should respond positively to alternative financing proposals such as that of the G77 for a “World Solidarity Fund.”⁹⁹

Other suggestions appealed for internal reforms to existing IFI structures and approaches. For example, Gerald Helleiner proposed more African representation in global economic governance systems, starting with steps like creating a third African seat on the 24-member boards of the IMF and World Bank to alleviate the “impossible” workloads of Africa executive directors. Many other witnesses were sharply critical of current IFI approaches to economic policy reform, including the process used for country programs and so-called Poverty Reduction Strategy Papers (PRSPs). World Vision’s submission called for changes in their content in order to incorporate “a rights-based framework, greater flexibility in macro-economic policies, and greater attention to the social impacts of economic decisions, including [on] women and children.”¹⁰⁰ More generally, NGO witnesses tended to seek greater changes to donor/IFI debt and development finance policies, and a stronger challenge to the current model of economic globalization, than they currently find within the NEPAD framework.¹⁰¹

The Committee accepts that some far-reaching international trade, investment and financial governance reforms may be desirable in order to really boost the fortunes of Africa’s poor within a more equitable world economy. As outlined further in the next section, we also believe that African governments as well as G8 governments must jointly shoulder their responsibilities in order to create better conditions for fostering the kinds of beneficial, sustainable private and public economic activity without which the cycles of debt and poverty will only be repeated. NEPAD deserves a chance for that reason alone.

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;**

⁹⁸ See *Statement by the Canadian Labour Congress*, April 30, p. 6 and Annex, p. 12.

⁹⁹ *Submission*, May 14, 2002, p. 3-4.

¹⁰⁰ *Submission*, “Ubuntu Eight for the G-8,” p. 7.

¹⁰¹ See especially, *The New Partnership for Africa’s Development (NEPAD): A Commentary*, Africa Canada Forum of the Canadian Council for International Co-operation, April 2002; also the statements adopted at several NGO and expert forums on NEPAD held in Africa in April and presented as background submissions to the Committee by Kairos in Toronto, May 7, 2002.

- to reform WTO agricultural trade rules with 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.

5. *Improving Democratic Governance and Fighting Corruption*

One of the most promising, but also challenging and potentially controversial, aspects of the NEPAD process leading to Kananaskis is its emphasis on democratic "good governance" reforms as among the preconditions for African recovery and sustainable development. Obviously, measures taken by African leaders to work towards honest, competent public administration and to combat serious crime and corruption problems in their countries will be welcomed by the leaders of G8 democracies as well as by prospective investors who may have been inclined to write off Africa as too high risk.

African ambassadors who appeared before the Committee on April 30 were at pains to stress that real change is taking place in Africa in this regard. The NEPAD Implementation Committee's elaboration of a "mechanism for peer review and good governance," spearheaded by South Africa, were described to us by that country's High Commissioner to Canada, André Jaquet, who contended that this accountability mechanism will be "credible, transparent and all-encompassing", with real "African teeth." According to Jaquet, it will have an "organic link" with democratic and good governance principles in the constitution of the African Union (which the CLC submission on the same day noted is eventually to include "a pan-African parliament, a court of justice, and a central bank"¹⁰²), members of which have also called for the appointment of a "special

¹⁰² *Submission*, "Labour and Africa: The Way Ahead through Real Partnership," p. 14. Among two of the declared principles set down in the *Constitutive Act of the African Union* are: "Respect for democratic principles, human rights, the rule of law and good governance; Condemnation and rejection of unconstitutional changes of governments".

commissioner” on governance. Mr. Jaquet mentioned a next meeting on the peer review mechanism in Maputo, Mozambique on May 16 and the possibility of a further announcement by the time of the G8 Summit. The important thing, he stressed, is that the developed world accepts that “we, in Africa, are serious. We don’t like conditionalities imposed by others. We find it easier to live with conditionalities imposed by ourselves even if they are tougher than the ones that were before.”¹⁰³

All that can be taken by the Committee in good faith. But questions remain as to whether these new promises of democratic governance will in fact be toughly applied in the toughest situations, such as in Zimbabwe and the Great Lakes region, or other zones of civil strife. And how will African citizens be involved in ensuring that the appearance of these reform conditionalities will really lead to changes that advance their rights?

Some Members of the Committee met informally on April 11 with two members of Zimbabwe’s democratic opposition following that country’s recent “stolen election,” including Mr. Gibson Sibanda, a Vice-President of the Movement for Democratic Change and the leader of the opposition in the Zimbabwean Parliament. Given the horrific reprisals and human rights violations taking place in his country, he was not overstating the case in regretting that there is “still a lot more to do to ensure that democratic processes ... are enshrined in the African way of doing things.” Understandably, he saw Zimbabwe as being a critical test for NEPAD’s good governance provisions, stating that for them to have credibility, “the route is via Harare.” In the Committee’s subsequent dialogue with African diplomats, the South African High Commissioner suggested that his country’s and Nigeria’s agreement to some Commonwealth sanctions against the Mugabe government demonstrated that the NEPAD will further leaders’ resolve to come to terms with the continent’s crises of democracy, even if not through “megaphone diplomacy.”¹⁰⁴ The Committee hopes he is right but remains to be convinced.

Of course, G8 countries also need to examine their approaches to promoting freer exchanges, democratic accountability, open and transparent governance, lest they be accused of “do as I say not as I do” inconsistencies if not double standards. John McConnell’s submission in Saskatoon spoke for the sceptics: “Donor countries are asking the countries receiving aid to set up more open markets and to eliminate corruption. This same request could be made to some donor countries. Some maintain harmful practices that are hurting international trade and/or contributing to corruption. When it comes to aid-dependent countries in a weak bargaining position, donors suddenly become righteous and emphasize the need for better governance.”¹⁰⁵ World Vision’s submission was even harsher: “Poor governance is used as a rationale to reduce foreign aid, while the policies of G8 leaders, through the International Monetary Fund and the World Bank, have stripped many African governments of their capacity to govern and reduced millions of people to a survival mode of existence”. Linda Tripp added that: “A more promising

¹⁰³ *Evidence*, April 30, 2002, Meeting No. 73, Ottawa, 10:45.

¹⁰⁴ *Ibid.*

¹⁰⁵ *Submission*, Saskatoon, May 10, 2002, p. 9-10.

approach would be to reinforce governance and democracy by redirecting significantly more ODA to African unions, associations, human rights groups, etc.”¹⁰⁶

The Committee takes the view that neither automatic trust in nor suspicion of declared intentions by governments and international agencies in this area is warranted. Instead, the more constructive focus, if we are to give a new partnership any chance to succeed (and we must, for both Africa’s and the G8’s sake), is to act on practical measures — including experimenting with incentives for good behaviour as well as conditionality-based sanctions¹⁰⁷ — aimed at realizing shared democratic governance, anti-crime and anti-corruption goals. The G8 must become as tough in complying with higher standards of conduct as it expects Africans to be in applying them.

The G8 should also be supporting initiatives to strengthen the democratic capabilities of African societies for sound administration and public accountability. As Linda Ross of Oxfam Canada put it, “around government and the level of corruption, I think one of the things that can’t be overemphasized is the strong role that civil society organizations need to play in holding governments accountable ... the other thing is the need to continuously support civil society organizations. We’ve seen some of that around what’s happened in the history of South Africa and the ability of organizations to actually take strong leadership roles at various levels within their own country.”¹⁰⁸ Miriam Gervais of McGill University observed that concrete donor support in this area of good governance should “provide financial support for the decentralization process underway in many African countries, and provide financial support to strengthen the democratic association movement, which would also empower women through these associations ... Our past experience has shown that providing financial support for infrastructure and strengthening public administrations were not enough. There must be more comprehensive dialogue with all the parties involved, including the rural people who are the majority in these countries.”¹⁰⁹

G8 initiatives could also include interparliamentary overtures, as John Harker indicated in stating that: “Hopefully the G8 Summit and its interaction with African leaders will find ways of halting and reversing the erosion of state capacities in Africa. Among them must surely be one in which Canada has substantial experience: training and development of the human resources necessary to enable the effective and efficient functioning of state machinery, including legislative and representative instruments vital to good governance. ... Canadian legislators, understanding that their African counterparts are anxious to meet the challenges set out in the NEPAD documentation, could press our

¹⁰⁶ Notes for presentation in Toronto, May 8, 2002 (dated May 9), p. 5.

¹⁰⁷ This point was made by University of Windsor business professor Francis Rieger, *Submission*, Windsor, May 9, 2002, p. 4.

¹⁰⁸ *Evidence*, February 25, 2002, Meeting No. 58, St. John’s, 14:40.

¹⁰⁹ *Evidence*, January 31, 2002, Meeting No. 54, Ottawa, 10:10.

government to place a priority on training and capacity building for African legislators, and could play a part in its delivery.”¹¹⁰

The Committee agrees that partnership on democratic good governance and anti-corruption cannot be just a matter for G8 and African government officials and businesses, but must involve parliamentarians and the citizens they represent.

Recommendation 12

Canada should work towards 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

6. *Making Development Environmentally Sustainable*

Given that we are only a few months away from the World Summit on Sustainable Development to be held in South Africa, which also hosts the NEPAD Secretariat, it is perhaps surprising that the Committee did not receive much testimony specifically on environmental issues in Africa. Desirée McGraw in Montreal did call for a focus on environmental sustainability goals at the G8 Summit, and did express the hope that the proximity in the timing of the Kananaskis and Johannesburg summits would stimulate renewed Canadian leadership on this agenda. The submission of World Vision also included an appeal that: “Land, water, forests, precious minerals — God’s gifts to Africa — risk being squandered between foreign interest in cheap raw materials and the survival needs of African people. Everyone shares in the calling to reverse this trend. Changes are need in G8 countries as much as in Africa to make this happen. The G8 Summit in June can lay the groundwork for the upcoming World Conference on Sustainable Development by including support for practice measures to reduce pollution and conserve resources in the Action Plan for Africa.”¹¹¹

¹¹⁰ *Submission*, “Human Security in Africa: A Way to Recovery,” Halifax, February 26, 2002, p. 7.

¹¹¹ *Submission*, “Obuntu: Eight for the G-8,” p. 11.

Clearly the state of the African environment, like that of global environment as a whole — climate change, for example is no respecter of regions — is not as healthy as it should be. And unlike the variability of weather, the chief factors are usually man-made. Poverty, demographic pressures, shortsighted commercial exploitation, wars and repressive rule, all can combine to exacerbate environmental stresses, as well as creating humanitarian crises such as the food emergency now facing millions in parts of southern Africa. The NEPAD does acknowledge to a degree the environmental dimension of a sustainable recovery strategy for Africa. Ambassador Philémon Yang of Cameroon, the dean of Ottawa's diplomatic corps, observed in his presentation to the Committee on the NEPAD that:

Environmental protection projects are also a priority for us. No one country can protect the environment in any part of the world. Environmental protection has become an international problem which should always be faced on a continental or regional basis. This could include the protection of forest bio-diversity, marine and coastal ecology, and in fact reduce pollution which is becoming increasingly a problem for us. I dare say that environmental degradation generally ends up creating a lot of misery and causing underdevelopment.¹¹²

Yet the "Commentary" on the NEPAD prepared by the CCIC's Africa-Canada Forum coordinating committee, criticizes the NEPAD's Environment Initiative as being "very weak" and as failing to "offer concrete measures to ensure that industrialization and energy projects will not harm the environment ... [or] to call for climate justice." The authors of this document argue that more emphasis should be put on developing renewable energy resources, and on strengthening adherence to environmental protection standards in economic infrastructure plans and investment decisions, especially those of transnational corporations and large donor-funded energy and resource extraction projects whose past record leave much to be desired. They also take the NEPAD to task for not challenging the fact that industrialized countries account for 80% of the global greenhouse gas emissions that could have costly impacts for Africa if some predictions of an increased probability of floods and droughts are borne out.¹¹³

Other witnesses expressed concerns that prescriptions for boosting Africa's economies not be at the expense of environmental sustainability. Several ideas were suggested for more sustainable utilization of resources, notably in rural areas which also have the least access to safe drinking water and the greatest need for investments in basic education and health. In the area of continued development of safe water resources, Tony Haynes in Saskatoon proposed that Canada might help to establish an "African coordinating agency" with international assistance and monitoring.¹¹⁴ Also in Saskatoon, Mary Day and John McConnell emphasized the need for an ecological conversion of sorts in the approaches taken by G8 donors to development co-operation that does not only focus on capital flows but more fundamentally respects Africa's

¹¹² *Evidence*, April 30, 2002, Meeting No. 73, Ottawa, 10:35.

¹¹³ "NEPAD: A Commentary," CCIC, April 2002, p. ii and 10.

¹¹⁴ *Submission*, Saskatoon, May 10, 2002, p. 2.

indigenous natural and human “capital” on which these ultimately depend. Mr. McConnell made the point that:

For African countries to have sustained growth and better standards of living for people, considering the fragile ecosystems of Africa, policy experts from donor countries who are drafting policies and programs for African countries should know more about ecosystems — to know “the what” to do and “the how” to do it — for more successful projects. There is a wealth of knowledge on African ecosystems and cultures among NGOs that could be shared. ... If market approaches are to provide solutions to African development then both government and corporate market managers need to be aware of the risks to the earth’s ecosystems — and support accountable and transparent policies that reduce the destruction of ecosystems ... [which] will increase extreme poverty and both public and corporate cost of activities.

The Committee agrees that environmental sustainability is a necessity not an option, and on the importance therefore of making new partnerships for African development more sensitive to, and knowledgeable about, ecological impacts, especially on the majority of rural poor.

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.

7. *Building a True Partnership with Civil Society*

As will already be clear from testimony cited so far, one of the most often repeated criticisms of the NEPAD process to date that the Committee heard from witnesses was its top-down rather than bottom-up nature. Indeed as Serge Blais, a co-president of the Africa-Canada Forum told us at the end of February, Forum members soon realized “that the [NEPAD] document was virtually unknown in Africa” and so took it upon themselves to have it distributed to hundreds of African partners who were invited to take part in dialogue and discussion on its elements.¹¹⁵ The Forum’s resulting April “Commentary” on the NEPAD makes the following important observations:

NEPAD is a starting point for discussion in Africa, but did not result from participatory local, national and regional strategies, appropriate to the particular concerns of the poor and marginalized in African countries. The absence of prior discussion and debate with African citizens raises issues of commitment to democratic participation, and is also reflected in the content and priorities established in the document. ...

The primary focus for the Democracy and Governance initiative of NEPAD is the political and administrative framework of the participating countries. But the worthy goals of NEPAD (poverty eradication, democratization, human rights promotion) will not be achieved through technical and administrative measures. Rather, it is critical for the long-term promotion of democracy and for the equitable distribution economic benefits that civil society actors be able to monitor their own government and demand accountability. Yet NEPAD is largely silent on civic engagement.¹¹⁶

The Committee would add that the NEPAD is similarly silent on engagement and oversight by parliamentarians, who must also have a primary role to play as the elected representatives of civil society.

In calling for the NEPAD to be “sent back to Africa for consultation,” Gerry Barr of CCIC inferred that a more democratic political process is essential *before* it becomes the *fait accompli* of an already set G8 African action plan needing only to be implemented.¹¹⁷ Other NGO and labour witnesses expressed similar concerns based on their contacts with African partners. Hence Rights & Democracy’s call for G8 leaders to hold off on any endorsement of NEPAD until it has had the benefit of wider public review within Africa.¹¹⁸ The Halifax Initiative Coalition reminded the Committee that if G8 governments want to follow through on their statements supporting more developing country “ownership” of development programs — strongly emphasized by Professor Helleiner in our first panel — they should avoid decisions which are imposed rather than being the product of participatory domestic processes in the affected countries.¹¹⁹

¹¹⁵ *Evidence*, February 28, 2002, Meeting No. 64, Montreal, 11:30.

¹¹⁶ Africa-Canada Forum, “Commentary — Executive Summary,” p. i.

¹¹⁷ *Submission*, Toronto, May 7, 2002, p. 7-8.

¹¹⁸ “Summary of Recommendations,” May 8, 2002, p. 1.

¹¹⁹ *Submission*, May 14, 2002, p. 1

Linda Tripp of World Vision Canada made the point that “respect and inclusion for the rich associational and community life of African people are essential to democratic governance in Africa.” Their submission calls on the G8 to assist with a range of tools for broadening public participation, inclusive of the voices of women and youth, and for strengthening capacities for public accountability — through such things as citizenship education and training, independent media, better access to information and affordable communications technologies, exchanges and linkages among activist and research communities throughout Africa and in other regions.¹²⁰

Witnesses extended that call for wider African perspectives to be listened to in formulating G8/NEPAD next steps to the need for continuing public input within Canada on how the G8’s response to Africa should evolve. Notwithstanding the Prime Minister’s commendable efforts at putting forward in the public eye an African development agenda for the Kananaskis Summit, probably fewer Canadians than Africans have heard of the NEPAD much less know much about its content. It was not only NGOs with partners in Africa who made a point about promoting popular support for an Africa action plan. University of Windsor business professor Fritz Rieger argued that a public awareness campaign around the G8 plan would be both very useful and feasible, possibly leading to voluntary donations matched by public funds.¹²¹ Linda Tripp reinforced the case that popular support is critical in G8 countries and the developed world generally, as well as in Africa, adding that:

In Canada, as new roles in relation to Southern counterparts emerge, Canadians need to expand their roles in information-sharing, structured learning and building policy and research capacities. Canadians can support the Action Plan through strengthening North-South connections, through direct overseas exposure of Canadians in both community-based projects and policy change initiatives arising from these projects; through an approach called deliberative dialogue (uncovering shared values through structured discussions); using ICT [information and communication technologies¹²²] to facilitate collaborative learning, solidarity networks and increased participation in both cultural exchange and policy dialogues; and, forming new and diverse partnerships that involve youth in volunteer placement programs.¹²³

Participants in the Canadian Centre for Foreign Policy Development forums on Africa also called for a greater effort on the part of the government, and DFAIT in particular, to cultivate “the skills and expertise of its domestic Africanist community and Canadians of African descent. The Canadian government should also keep people informed of progress on the Africa Action Plan and other developments in Canada-Africa relations after the G8 Summit.”¹²⁴

¹²⁰ *Submission*, Toronto, May 8, 2002, p. 5 and *Submission*, “Ubuntu: Eight for the G-8,” p. 8.

¹²¹ *Submission*, Windsor, May 9, 2002, p. 5.

¹²² On the application of ICTs to African development partnerships, it should be noted that the G8 DOT Force met in Calgary May 6-7, just prior to the Committee’s public hearings there on May 8, and will be presenting a report card on implementation of their Genoa action plan to the Kananaskis Summit.

¹²³ *Submission*, Toronto, May 8, 2002, p. 6.

¹²⁴ *Putting Africans First: A Way Forward for Canada’s Africa Policy*, p. 7.

The Committee believes that this expanded ongoing public engagement must also include parliamentary channels. The depth of knowledge and concern about Africa testified to in our hearings across the country is encouraging. Beyond the tabling of this report specific to the G8 meeting, there are other parliamentary avenues which could be enlisted in following up G8 and Canada-Africa initiatives, including the Canada-Africa parliamentary group and the Canadian Association of Parliamentarians on Population and Development, both of which have been headed by the Chair of this Committee.

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 responding 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.

8. *Evaluating Mutual Responsibilities and Accountabilities for Results*

Just as there is expectation that Africa under NEPAD will make certain detailed commitments in terms of good political and economic governance, peer review and conflict resolution, so there should be an equally detailed commitment from our G8 partners. Not Canada, but other countries have made good pronouncements and wonderful words, but often those promises have not been backed up with action. So unlike previous programs, the G8 action plan must be premised on mutual accountability and a joint monitoring mechanism. ... The action plan must involve concrete, measurable and predictable programs that will enable Africa to meet the agreed international development goals.

André Jaquet, High Commissioner of the Republic of South Africa¹²⁵

Another refrain which emerged powerfully from the Committee's testimony in Ottawa and across Canada was that the Kananaskis Summit must deliver some serious action on real commitments with specific targets and within specific time frames. Moreover, this cannot be just a list of "good things to do" as determined by G8 leaders *for* Africa; it must be an action agenda that is mutually agreed upon, elaborated and implemented *with* African leaders, and as part of a public political process that is open to ongoing citizen participation and subject to public accountability through both peer-reviewed and independent evaluations.

¹²⁵ *Evidence*, April 30, 2002, Meeting No. 73, Ottawa, 10:50.

Without these disciplines, the risk is that the fine intentions and promises of a G8 Action Plan for Africa will, as former “sherpa” Gordon Smith put it, “just simply deceive people and end up creating more and more scepticism.”¹²⁶ There is never any perfect guarantee of results, of course, even with the best will and most inclusive process. But it is important to avoid another major disappointment. As Pierre Adjété of the *Marché International Africain du Millénaire* observed, “the many initiatives by the United Nations and the international financial institutions have brought only very modest relief from underdevelopment and, in many cases, have generated less hope than widespread controversy.”¹²⁷ It is even more important, if African “ownership” of any action plan is to be serious, that conditions incorporated for the purpose of getting effective results — on better and more democratic governance, for example — not be perceived as a G8-driven imposition, and that the NEPAD’s nascent peer review mechanism be allowed to prove itself. As Smith indicated, the nexus of African expectations and G8 donor conditionalities could become a point of tension at Kananaskis. The Committee sees G8 acknowledgment of past mistakes and acceptance of evaluation of donor performance, as part of a *mutual* partnership that *shares* responsibility and accountability for Action Plan outcomes, as crucial to building the new relationship with Africa in deeds and not only words.

It was another witness with long experience in policy matters, African development economics expert Gerald Helleiner, who made rigorous *and even-handed* performance evaluation an overarching rallying cry during our first Ottawa panel:

... what has been missing from all prior plans of action, global coalitions for Africa, UN special programs for Africa — the last couple of decades are strewn with failed programs that the international community has announced — is independent evaluation of the performance of the Northern participants, in particular evaluations of what they do at the country level. They are answerable to no one. There is some peer review within the OECD, in which donor countries assess one another’s performance, but that’s a recipe for mutual back-scratching. It’s not independent. It doesn’t suffice. ... we simply must achieve a more balance relationship between those who offer and those who receive financial resources. ... I would put evaluation of what is being done, independent evaluation of everyone on an equal basis, on a par with increased resources.¹²⁸

The Committee appreciates this as sound advice which is in the spirit of our first Recommendation calling for Canada and the G8 to provide a full public accounting for Summit outcomes.

¹²⁶ *Evidence*, May 7, 2002, Meeting No. 78, Vancouver, 10:55.

¹²⁷ *Submission*, “Mentoring for Development: The Wind from Kananaskis,” April 11, 2002, p. 3. Mr. Adjété put forward an intriguing suggestion for how G8 and African countries might distribute lead responsibilities for the various sectoral priorities emerging from a G8/NEPAD action plan.

¹²⁸ *Evidence*, January 31, 2002, Meeting No. 54, 11:00.

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 the 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.

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

The tragic September 11 terrorist attacks on the United States last year shocked the world. Many feared an immediate unilateral American military response against Islamic fundamentalists, which could provoke racial intolerance, further terrorist attacks — possibly with nuclear, chemical or biological weapons of mass destruction — and perhaps even a “clash of civilizations.” It was also widely assumed that the 2002 G8 Summit in Canada would be dominated by the fight against international terrorism.

Thankfully, the past months have not developed in this way. Instead, they have allowed time to increase security in all G8 states, a more measured perspective on the international terrorist threat, and an appreciation of the unique role the G8 can play in increasing international co-operation in this area.

While most interlocutors concentrated on the African and broader economic agenda of the Kananaskis Summit in their submissions and presentations to the Committee, Canadians across the country did express concerns and opinions about terrorism. All condemned the horrific attacks of September 11, and generally accepted the need to increase measures to counter terrorism. However, they also argued strongly that action in this area must be multilateral and must respect international law, including civil liberties and human rights. It must also fit within a broader foreign policy context that includes increased efforts to reduce poverty and alienation and to pursue both the non-proliferation and disarmament of nuclear and other weapons of mass destruction.

WHAT CANADIANS TOLD US

Governments around the globe have since September 11th enacted legislation providing the coercive and intrusive arms of the state with extraordinary new powers to fight terrorism. In earlier times such powers would have been perceived as inimical to civil liberties and the democratic fabric. In current times where the terrorist threat appears to pose awesome consequences, such extraordinary powers may well be necessary. Certainly erring on the side of prudence is in order. However, the use of such powers also implies that greater efforts must be taken to ensure that they are not abused. This means that greater oversight and broader review and other safeguards are in order.

Stuart Farson, Simon Fraser University, *Submission*, Vancouver, May 6, 2002, p.8-9.

... we can talk about a wider range of threats, not simply terrorism but, for example, international organized crime, which, in many ways, parallels the methods of terrorist networking and financing and so on — it's very clear that if

there is to be effective global governance against these kinds of threats, that requires a substantial degree of multilateral co-operation among all states.

Reg Whittaker, York University, *Evidence*, May 6, 2002,
Vancouver

Extreme inequity and injustice among people of different nations contributes much to frustration, anger, violence, desperation and finally in some situations, when all else fails, to individual and/or group acts of terrorism.

An improved early warning system is needed to inform world leaders of developing issues, at the early stage of problems, more use should be made of conflict resolution techniques and world bodies, such as the World Court, and the United Nations should receive greater support. The cost of these world programs would only be a fraction of the costs of “fighting terrorism” and wars — and far fewer people would be killed.

John McConnell, *Submission*, Saskatoon, May 10, 2002, p.3

... the FTQ is completely behind the implacable fight against terrorism, but we do not want to jump on board the U.S. train. There is an international organization called the UN, the Security Council of the UN, which must play a key role. We don't feel the fight against terrorism can be effective if everyone dances to the American tune. An international effort has to be made to convince the countries where terrorists operate to get rid of them. But this effort must go through the UN and the Security Council.

Henri Massé, Fédération des travailleurs et travailleuses du Québec, *Evidence*, February 27, 2002, Meeting No. 62,
Montreal

The G8 meetings provide an opportunity for Canada to work multilaterally to help reorient the approach to combating terrorism. We hope that the Government of Canada will take the opportunity afforded by the Kananaskis meetings to re-emphasize the importance of a common or human security approach and move away from relying on military security.

Canadian Peace Alliance, *Submission*, Toronto, May 8, 2002,
p.1.

... following the attacks of September 11 our work has very much been focused on monitoring the human rights impact and human rights consequences of the attacks and of the subsequent global response be it how the conflict in Afghanistan has been waged; the degree to which refugee and immigration systems worldwide have begun to be affected; the human rights consequences of anti-terrorism legislation enacted in our own country and many others; and U.S. policies and approaches with regard to the detention of prisoners of war — as we would say they need to be called until determined otherwise by a court — and the degree to which minority groups in many parts of the world are suffering the brunt of the war on terrorism, being called terrorists when essentially all they're doing is seeking to exert their ethnic, cultural, or religious rights.

Alex Neve, Amnesty International, *Evidence*, March 21, 2002,
Meeting No. 66, Ottawa

For decades, at various conferences, summits and council meetings, the world's leaders and politicians have discussed the gulf that exists between peoples. Economically, culturally, politically, there are chasms that have seemed unbridgeable, but we have continued to try. I think, if we've learned anything from this war on terrorism, it is that the foundation for a successful foreign policy can no longer be built simply on strategic alliances with historically like-minded countries. Instead, nations derive their greatest strength from identifying common goals to pursue globally, with the resolve and power of the global community behind them.

Reid Morden, Chair, KPMG Corporate Intelligence Inc.,
Evidence, January 31, 2002, Meeting No.54, Ottawa

As G8 leaders discuss issues of security and terrorism, it is imperative that they go beyond mere police and military considerations.

The 11th of September reminded us in stark terms that we live in an increasingly integrated world where conflict in other lands may have very tangible impacts closer to home. The truth of the matter is that no amount of security measures can insulate anyone, even the most powerful nation in the world, from acts of terrorism.

Unfortunately, thus far, the response to September 11 has been largely confined to military and domestic security measures. This one-sided response is not only inadequate to address the root problems themselves, but to some extent, adds to the fire ...

If there is no easy solution to the problem of terrorism in the long-run, it can only be resolved by fostering fair and legitimate resolutions to regional conflicts, by addressing problems of crying economic and political inequity, and encouraging the development of legitimate and credible institutions, and processes of global governance.

Canadian Labour Congress, *Submission*, Ottawa, April 30, 2002,
p.3-4.

... the CSN believes that the G-8 would be well advised to advocate the strengthening of UN institutions, such as the International Labour Organization, the ILO, rather than assign itself new roles in the world of governance...

We must respond on many different fronts. The people responsible for these terrorist acts must be accountable for their actions and be judged in accordance with the law and charters. It is precisely in a period of crisis that these instruments of democracy, peace and law must be upheld.

In addition, in the wake of September 11, we must do all that we can, here and elsewhere, to fight racism, exclusion, intolerance and fanaticism. In deploying security measures, we must ensure that the rights of all citizens living in Canada are respected. Once again, these instruments are more necessary than ever during periods of crisis. We must not view war as a solution. The solution lies rather in promoting democracy, in fighting against inequality, discrimination and exclusion, in supporting the struggles of women and minorities, in economic and social development, in the refusal to tolerate hegemonies and in the respect of the rights of states and of people.

Confederation of National Trade Unions, *Evidence*,
February 28, 2002, Meeting No. 64, Montreal

You know, the United States having the largest stockpile of weapons of mass destruction is not going to deter a terrorist from using a potential weapon of mass destruction against the United States. It can have all the nuclear weapons and warheads it wants, and in fact it has all the nuclear warheads and chemical weapons it wants, and it wasn't able to stop the attack of September 11 with those weapons. And it wouldn't be able to stop a rogue terrorist group from using a nuclear weapon in the future.

Peter Coombes, *Evidence*, Vancouver, May 6, 2002

Canada's long record of support for the United Nations, for international law and for multilateralism, needs to be revitalized. Canadian society is awash with NGOs, associations and dedicated individuals from Coast to Coast who are committed to a more just and peaceful world and whose members take great risks and make great personal sacrifices to achieve these goals. At this critical moment, the world is watching and our voice will be heard. The lingering question is 'does Canada have the courage to lead at the G8 summit?'

Joanna Miller, *Submission*, p.4-5

Terrorist activities are unacceptable, but they are borne in the conditions from which despair, violence, hatred and discord arise — harsh realities such as poverty, exclusion, neo-liberalism, structural adjustment programs and neo-colonialism.

We believe that part of a search for security has to be for the federal government to work internationally to eradicate the conditions from which despair and violence arise.

National Union of Public and General Employees, *Submission*, Ottawa, March 21, 2002, p. 24

In the context of both security and the G-8 agenda, we know that the answer to terrorism lies not just in police action against perpetrators, but in creating a more civil and more secure world, where the benefits and the opportunities of human civilisation are available far more broadly than they have been. This is why the Canadian idealist agenda — which I share with pride — of building and exporting our model of civil society, taking a culture of peace to the world, is a necessity rather than a Utopian dream. Canada has a great deal of experience and expertise in building strong civil institutions. It is a hidden strength never fully exploited. But our ability to craft a society based on peace, order and good governance makes the Canadian experience particularly valuable in countries seeking a new future whether in Africa or elsewhere.

Satya Das, *Submission*, Edmonton, May 9, 2002, p. 4

KEY ISSUES

The September 11 attacks were unique in that they were carried out against the United States, the most powerful nation in the world by any measure and one previously believed almost immune from outside attack on its homeland. Many expected the United

States to respond with immediate and unilateral military action; but this was not the case. Instead it worked to mobilize the diplomatic support of the international community through the United Nations — particularly through the passage by the Security Council on September 28, 2001 of Security Council Resolution 1373 — and to assemble a broad-based coalition of allies for military and other action.

This coalition-building approach is key to the successful continuation of the fight against terrorism. Although U.S.-led military action has been an important element in the response to the attacks — and although the relatively easy military victory in Afghanistan led many to conclude that the United States no longer needed to bother with allies or coalitions, either in the fight against terrorism or more generally — it has become clear that military action is not enough. As Professor Joseph Nye, Dean of Harvard University's Kennedy School of Government told the Committee in April 2002:

What we saw in Afghanistan is that the United States was able to use military power successfully to defeat a weak state-sponsor of terrorism, the Taliban, but it was not successful in wrapping up the al-Qaeda network, of which we destroyed or caught a quarter to a third, at most. That al-Qaeda network is a network with cells in some 50 countries, many of them friendly countries, where we could not use military force even if we wanted to.

The answer to that lesson of Afghanistan is that you have to have co-operation in the civilian area. You have to have intelligence sharing, police work, tracing financial flows and so forth, to be able to cope with this.¹²⁹

The G8 has dealt with terrorism for over two decades and, according to Robert Fowler, has played an important role as “the main catalyst” in the negotiation of the 12 United Nations conventions which form the basis of the international counter-terrorist architecture.¹³⁰ This is a role that must continue at Kananaskis. As Reid Morden, a former Deputy Minister of Foreign Affairs and Director of the Canadian Security Intelligence Service (CSIS) noted before the Committee, “It is clear that our public and the international community in general, particularly in light of September 11, expect that this summit in Canada will produce concrete results. I don't think they will understand if no more than a general hortatory statement emerges from the summit.”¹³¹

The Kananaskis Summit can reasonably be expected to produce two sorts of results on terrorism. First, G8 states can share best practices in their own domestic efforts to combat terrorism, and can increase practical co-operation on a wide variety of levels. Perhaps more important in the long term, G8 leaders must reaffirm clearly that the fight against terrorism can be successful only if it is pursued collectively and according to the shared values of their societies. Doing otherwise might produce short-term gain, but only at the cost of long-term pain.

¹²⁹ *Evidence*, May 2, 2002, Meeting No. 74, Ottawa, 9:25.

¹³⁰ *Evidence*, January 29, 2002, Meeting No. 53, 9:15.

¹³¹ *Evidence*, January 31, 2002, Meeting No. 54, 9:45.

Defining Terrorism

Terrorist acts have been carried out by states, groups and individuals for centuries. While much recent commentary has focused on Islamic “fundamentalism” in an effort to understand the terrorist threat, as Canadian commentator Gwynne Dyer has pointed out, “Terrorism is not an ideology; it is a technique.”¹³²

The international community has increased its efforts to fight terrorism since September 11, yet has fallen short in a number of areas. In the most notable, an ad hoc Committee of the UN General Assembly is now attempting to draft a Comprehensive Convention on International Terrorism. However, as James Wright of the Department of Foreign Affairs and International Trade explained to the Committee on April 25, 2002:

On the comprehensive convention ... we are working with UN circles to try and promote this. There is no agreement to move forward. The biggest challenge for this comprehensive convention is the inability of the international community to come up with a definition of what is a terrorist. As hard as we are fighting to try and encourage others to deal with this issue in a constructive way, sadly, there continues to be a strong difference of view within the international community and it's that one issue that is holding up movement on the comprehensive convention. I think it's unrealistic to expect that we're going to see movement in the short term at the UN on this issue.¹³³

In this case, given the old adage that “one man’s terrorist is another’s freedom fighter,” the difficulty is obviously not legal, but political. As Reid Morden had noted almost three months earlier, “My understanding is that of the treaty’s 27 articles, 24 have been pretty much agreed to, in principle. The debate will now focus on the few remaining but obviously most difficult issues, including the legal definition of terrorism itself. Solving that one issue will require a real act of political will on the part of a number of countries.”¹³⁴

In recent years there has been a significant increase in the danger posed by modern terrorists. As Professor Nye argued before the Committee:

We’ve known terrorism for a long time. It goes back to roots in its modern incarnations in the nineteenth century, but it’s worth noticing the increase of terrorism. Technology is putting into the hands of deviant groups and individuals destructive power which was once reserved solely to governments. So if in the twentieth century, you had a person who wanted to kill many people — a Hitler, a Stalin, a Mao — he needed the power of a government to do it. Today it’s not farfetched to imagine terrorists getting access to weapons of mass destruction and being able to do that themselves ... this is a totally new dimension of world politics.¹³⁵

¹³² Gwynne Dyer, *The Taxonomy of Terror*, April 15, 2002 (pre-publication version).

¹³³ *Evidence*, April 25, 2002, Meeting No. 72, 10:30.

¹³⁴ *Evidence*, January 31, 2002, Meeting No. 54, 9:45.

¹³⁵ *Evidence*, May 2, 2002, Meeting No.74, 9:20.

Terrorism and Weapons of Mass Destruction

The danger of terrorists acquiring weapons of mass destruction has probably been exaggerated, yet it is real. Chemical weapons, for example, are less lethal than nuclear or biological weapons but they are easy to manufacture; in 1995 the Aum Shinrikyo cult released nerve gas in the Tokyo subway system, killing 10 and injuring as many as 5,000. Biological weapons are both lethal and relatively easy to manufacture, and their danger—particularly the ability to cause panic—was made evident last fall. As Professor Charles Doran of the Johns Hopkins School of Advanced International Studies told the Committee in November 2001, “not only the events of September 11 are pertinent, but what followed. Nobody’s mentioned here anything about anthrax. I can tell you the concerns about what, apparently, some crackpot has done in terms of sending these letters around is such that the change of attitude and so on in the Washington community and more broadly in the United States is something that cannot be minimized.”¹³⁶

The collapse of the Soviet Union also raised the possibility that nuclear weapons, poorly secured fissile material and expertise could be acquired by terrorists. American physicist David Albright, who participated in nuclear inspections in Iraq after the Gulf War, appeared before the Committee with Project Ploughshares in Toronto. He argued that nuclear terrorism was a threat in three ways: a nuclear explosion, an attack on a nuclear facility, or a radiological dispersal device or “dirty bomb.” In all cases, the goal would be terror and panic. While he argued that the chances of terrorists acquiring a working nuclear weapon were very low, radioactive material is much easier to acquire, and he believed that terrorists such as al-Qaeda would be capable of constructing a dirty bomb which combined radioactive material and conventional explosives.

There has been some progress in safeguarding fissile material since September 11. As Canada’s Ambassador for Disarmament, Chris Westdal, noted before the Committee in April 2002, “I’m more confident now than I was pre-September 11 ... because I think that really was a wake-up call about the dangers of this kind of material finding its way into the wrong hands... there has not been very much at all, if any, detected smuggling and sale of fissile material on the black market. Why? Because authorities around the world are aware of this threat and are very, very sensitive to it, particularly since last fall. Governments around the world are determined to keep control of that fissile material.”¹³⁷

Minister Graham told the Committee that there “is clearly a role here for the G8...”¹³⁸ Here again, while increased resources and technology can assist in this work, multilateral diplomacy is necessary as well. Mr. Graham also confirmed that when he and the other G8 Foreign Ministers meet in Whistler, B.C. in mid-June 2002, in addition to

¹³⁶ *Evidence*, November 29, 2001, Meeting No. 47, 9:55.

¹³⁷ *Evidence*, April 25, 2002, Meeting No. 72, 11:35.

¹³⁸ *Ibid.*, 9:15.

counter-terrorism, they would discuss issues such as non-proliferation, arms control and disarmament.

A number of Canadians who testified before the Committee stressed the need to take action to reduce the dangers of nuclear and other weapons of mass destruction, including the risk of their acquisition by terrorists. Such actions may involve short-term measures to secure and dispose of fissile material in Russia and elsewhere, but they also include strengthening international co-operation on both non-proliferation and disarmament. As Ambassador Westdal noted:

There is no conflict in the goals of ambassadors for disarmament and advocates of arms control and disarmament steps, and the goals of the government more generally, with its profound and primordial responsibility for the security of its citizens ... we are all seeking security and we recognize that force is obviously required in defence of the freedoms we treasure and in defence of peace.

Those are not the issues. The issues are how that security may best be sought. Any measure of security we can secure or obtain through diplomacy, through negotiations, through agreements ... those are measures of security that we and other states are therefore not compelled to seek else wise through arms.¹³⁹

Ernie Regehr of Project Ploughshares told the Committee in Toronto that Canadians needed a better understanding of both the threat of nuclear terrorism and the possible responses to it. He added that it was “important to examine the threat of nuclear terrorism involving non-state actors within the context of the overall threat posed by nuclear weapons in the arsenals of states — the traditional nuclear powers, the newly emerging nuclear powers, and the threshold states.”¹⁴⁰ Senator and former Ambassador for Disarmament Douglas Roche added that G8 states control some 98% of the world’s nuclear weapons, and that it was vital that they fulfill their legal obligation to work toward the eventual elimination of these weapons.¹⁴¹

Specific measures suggested in this area included increasing the funding available to the International Atomic Energy Agency (IAEA). As Senator Roche argued in a submission to the Committee, “The IAEA is currently trying to implement a plan of action to improve protection against acts of terrorism involving nuclear materials and other radioactive materials. But the IAEA is severely under-funded, and has to rely on voluntary contributions to fund its anti-terrorism program...”¹⁴² Another possibility is continued assistance for the disposition of plutonium in Russia. As Ambassador Westdal argued, “there are additional measures that can be taken. They’re not much of a mystery, but they’re expensive.”¹⁴³ David Albright of the Institute for Science and International Security

¹³⁹ *Ibid.*, 11:20.

¹⁴⁰ *Evidence*, May 7, 2002, Meeting No. 78, Toronto.

¹⁴¹ *Submission*, Senator Douglas Roche, Edmonton, May 9, 2002.

¹⁴² *Ibid.*, p. 3.

¹⁴³ *Evidence*, April 25, 2002, Meeting No. 72, 11:35.

also argued that the G8 should do a careful risk assessment of the nuclear terrorist threat, and develop a plan to prevent or reduce the threat of nuclear attack by terrorists. He added that “with a strengthened foundation for arms control and disarmament, the chances of preventing a nuclear terrorist attack will be much greater. The G8 should reaffirm its commitment to arms control and state that achieving international arms control and disarmament agreements is a vital part of the global effort to prevent nuclear and other weapons of mass destruction terrorism.”¹⁴⁴

A number of presenters argued similarly that Canada should urge the G8 to strengthen international co-operation on the eventual elimination of nuclear weapons. As Ambassador for Disarmament Chris Westdal put it, “... the attacks on the trade towers and the Pentagon have surely deepened our commitment to nuclear disarmament ... surely seeing what happened with that explosion [the equivalent of less than 1000 tonnes of TNT, compared to 12,000-15,000 tonnes in the bombs used against Hiroshima and Nagasaki] — and it didn’t involve any radioactive fallout, either — should make us think hard about what the use of nuclear arsenals would entail.”¹⁴⁵ Ernie Regehr argued that Canada should “... urge all G8 governments to significantly increase both political support and financial resources for a multi-dimensional, multilateral commitment to addressing the nuclear threat in all its aspects.”¹⁴⁶

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.

The Need for International Co-operation

All states must take legislative and other actions to improve their domestic capacity to combat terrorism. These actions may range from strengthened measures for the enforcement of immigration and other rules to increased resources for law enforcement, intelligence and even the military. After September 11, attention has focused on the military actions taken by the coalition in Afghanistan. In reality, however, effective counter-terrorism depends much more on increasing co-operation in lower-profile areas

¹⁴⁴ *Evidence*, May 7, 2002, Meeting No. 77, Toronto.

¹⁴⁵ *Evidence*, April 25, 2002, Meeting No. 72, 10:45.

¹⁴⁶ *Evidence*, May 7, 2002, Meeting No. 77, Toronto.

such as intelligence, improved security measures and, most importantly, closer international co-operation.

As the target of the September 11 terrorist attacks, the United States will probably continue to feel the most vulnerable. Differences have also emerged between G8 states over the pursuit of the fight against terrorism and U.S. statements about an “Axis of Evil.” As Professor Reg Whittaker of York University noted in Vancouver, “... it is very clear that it will not be a successful war against terrorism if in fact America does persist in its unilateralist direction ... it is simply not possible for even the world’s only superpower, and certainly the world’s only military superpower, to wage the long term kind of war that is necessary, particularly an intelligence war ... without having co-operation.”¹⁴⁷ A real difference has emerged over America’s apparent belief that the fight against terrorism should be immediately expanded to target Iraq. Gordon Smith told the Committee: “I think that this will in fact turn out to be one of the most divisive issues in Kananaskis.”¹⁴⁸ He also noted, however, that summits are a good place for plain talking.

The threat of international terrorism affects all states, and the key is to find as much common ground as possible in dealing with it on a multilateral basis. As Ambassador Westdal noted, however, the key is *effective* multilateralism. In his words, “There is no appetite in this [Bush] administration, nor should there be, for ineffective multilateralism, for fooling ourselves, for pretending that we have measures in place that will work.”¹⁴⁹ While this comment was made in the context of non-proliferation and disarmament, it applies equally to the broader fight against terrorism and to U.S. foreign policy in general. The change in U.S. perceptions of the threats to its security are particularly important to Canada given our close bilateral relationship, and this will be an important element of the Committee’s forthcoming report on the future of the North American relationship.¹⁵⁰

The United Nations is the primary international forum for addressing terrorism issues. As Science for Peace argued in a submission and presentation to the Committee in Toronto, Canada must continue to support it in this role. As noted, the 12 counter-terrorism conventions adopted by the United Nations are the basis of the international fight against terrorism. However, as Reid Morden pointed out, most have been ratified by only 40-60 states.¹⁵¹ Similarly, Security Council Resolution 1373 of September 2001 was a milestone in the international fight against terrorism, outlining

¹⁴⁷ *Evidence*, May 6, 2002, Meeting No.76, Vancouver.

¹⁴⁸ *Evidence*, May 7, 2002, Meeting No. 78, Vancouver.

¹⁴⁹ *Evidence*, April 25, 2002, Meeting No. 72, 11:30.

¹⁵⁰ Intelligence co-operation is particularly important, and a number of witnesses before the Committee concentrated on intelligence issues. As the authors of a major study published by the Center for Strategic and International Studies in Washington — which the Committee visited in March 2002 — in November 2001 noted: “With good intelligence, anything is possible; without it, nothing is possible.” Kurt M. Campbell and Michele A. Flournoy, *To Prevail: An American Strategy for the Campaign Against Terrorism*, Center For Strategic and International Studies, Washington, November 2001, p. 78.

¹⁵¹ *Evidence*, January 31, 2002, Meeting No. 54, 9:50.

specific actions to be taken by states and requesting that they report back on their progress. Yet while some 143 states had reported to the UN on their progress as of mid-April 2002, another 50 had not.

Democracies and Terrorism

While acknowledging the need to use military force at times to fight terrorism, former CIA Director Admiral Stansfield Turner argued at the end of September 2001 that “the secret of dealing with terrorism lies in selecting the option or mixture of options, both pro-legal and pro-active, that will have the greatest impact on the terrorists while minimizing the intrusions into societal values.”¹⁵² As one observer, a former British defence attaché in the Middle East, has noted:

Most democratic governments apply the following policy principles in combating terrorism: there must be no concessions to hostage-takers or other terrorists; the fight against terrorism needs close international co-operation; the fight against terrorism requires the highest standards of human rights behaviour; the rule of law applies equally to suspected terrorists and the security forces. These principles are not always followed, often with unfortunate results for the authorities concerned ... The temptation to fight terrorism with terrorism is great but it usually leads to the discredit of the government authorizing such tactics.¹⁵³

In terms of Canada’s response to terrorism, Reid Morden began in this way: “My basic premise is that Canada is a nation of laws: Canada and Canadians respect the rule of law, and we favour the development of a body of international law to govern the behaviour of members of the international community and those over whom they have jurisdiction.”¹⁵⁴ The UN High Commissioner for Human Rights, Mary Robinson, has pointed out that “Although terrorism has yet to be defined comprehensively and authoritatively at the international level, States have already agreed on some core elements.” For example, in December 1995, the UN General Assembly declared in the Declaration on Measures to Eliminate International Terrorism that “criminal acts intended or calculated to provoke a state of terror in the general public, a group of persons or particular persons for political purposes are in any circumstances unjustifiable, whatever the consideration of a political, philosophical, ideological, racial, ethnic, religious, or other

¹⁵² Stansfield Turner on *Terrorism and Democracy: Ten Steps to Fight Terrorism Without Endangering Democracy*, Center for International and Security Studies at Maryland School of Public Affairs, University of Maryland at College Park, September 30, 2001, p. 2 (accessed at <http://www.puaf.umd.edu/CISSM>).

¹⁵³ Andrew Duncan and Michel Opatowski, *Trouble Spots: The World Atlas of Strategic Information*, Sutton Publishing, Stroud, 2000, p. 19.

¹⁵⁴ *Evidence*, January 31, 2002, Meeting No. 54, 9:45. Canada’s response to terrorist threats or incidents has been based on the following policies, as contained in the 2000 version of the *National Counter-Terrorism Plan: Terrorist incidents are criminal offences; the “rule of law” shall be maintained; every effort shall be made to seek a peaceful resolution to a hostage incident; no substantive concessions shall be granted; terrorists will not gain from their criminal actions; and a hijacked aircraft shall not be permitted to become airborne except under extraordinary circumstances. The National Counter-Terrorism Plan, ATIP (Access to Information and Privacy) Version.*

nature that may be invoked to justify them.”¹⁵⁵ Foreign Minister Bill Graham was more succinct, arguing before the Committee on April 18, 2002 that “Canada has consistently condemned all forms of terrorism. No cause or requirement can ever justify innocent civilian casualties.”¹⁵⁶ Such a definition is probably not sufficient for legal purposes, but is for political ones.

In addition to the protection of civilians, other key democratic values include a strong commitment to human rights; accordingly, civil liberties must also be part of strengthened action against terrorism. The Canadian Peace Alliance argued in its submission to the Committee that “the current truism that civil liberties and the rule of law stand in the way of protection against acts of terrorism is ... likely to backfire. The Canadian Peace Alliance believes that the moment we talk about civil liberties and the rule of law as luxuries, we are headed in a very dangerous direction.”¹⁵⁷ The Committee agrees. To quote the High Commissioner for Human Rights once again:

The promotion and protection of human rights is central to an effective strategy to counter terrorism.... The elements of this strategy include ensuring that the fair balances built into human rights law are at the centre of the overall counter-terrorism efforts. Other essential components of this strategy are addressing in parallel the broader issue of human insecurity, particularly the need to enhance international co-operation, to take prevention seriously, to reinforce equality and respect, and to fulfil human rights commitments.¹⁵⁸

The Committee also notes Professor Stuart Farson’s argument that increased legislative and other actions to fight terrorism since September 11 also mean a need for greater oversight and other safeguards.

While all democracies should be able to agree — even if they do not always say so publicly — that those who deliberately target civilians are terrorists, one reason for the difficulty in reaching agreement on the definition of terrorism is the conviction of many that those who turn to terrorism do so as a result of poverty, alienation and injustice. The argument has frequently been made, before the Committee and elsewhere, that a response to terrorism must go beyond law enforcement to address these “root causes,” through humanitarian assistance — in the first instance in Afghanistan — development assistance and other programs.

While it is important to consider the problem of terrorism within a broader foreign policy context, it is more arguable whether a direct link exists between terrorism and these

¹⁵⁵ Cited in the *Report of the United Nations High Commissioner for Human Rights and Follow-Up to the World Conference on Human Rights E/CN.4/2002/18*, February 27, 2002, para.3.

¹⁵⁶ Honourable Bill Graham, Minister of Foreign Affairs, *The Situation in the Middle East*, Notes for a presentation to the Committee, Ottawa, April 25, 2002, p.3.

¹⁵⁷ *Submission*, Canadian Peace Alliance, Toronto, May 8, 2002, p. 6.

¹⁵⁸ *Report of the United Nations High Commissioner for Human Rights (2002)*, para. 7.

more general problems, or that either is amenable to simple solutions. As Ambassador Robert Fowler put it:

I must, however, express caution about the notion that poverty inexorably breeds terrorism ... we need to be careful, I would argue, about drawing causal connections between being poor or being marginalized and becoming a terrorist ... Connections between security and economics and politics are complex and don't lend themselves to easy conclusions. We need to understand them better, but we should not jump to conclusions.¹⁵⁹

Former Deputy Minister of Foreign Affairs Gordon Smith argued in Vancouver that “while it's clear... that poverty and despair don't inevitably lead to terrorism, they certainly increase the risk.”¹⁶⁰ Conversely, action to address these problems will not eliminate terrorism, but will decrease the risk. As noted earlier, Reid Morden, who had extensive experience in this area both in the Department of Foreign Affairs and as Director of CSIS, put the argument similarly:

... in the long term, human rights, along with democracy and social justice, are the best preventions against terrorism. Terrorism is a weapon for alienated, desperate people, and it's often the product of despair. If human beings are given real hope of achieving self-respect and a decent life by peaceful methods, terrorists become a lot harder to recruit.¹⁶¹

In the end, as UN Secretary-General Kofi Annan has noted, states will only achieve success in their counter-terrorism efforts when the global struggle against terrorism is seen as necessary and legitimate by their peoples.¹⁶² While the G8 states have a particular role to play in both increasing co-operation among the world's leading economic powers and strengthening the global consensus against terrorism — which one observer over a decade ago called “the politics of murder”¹⁶³ — all democratic governments and legislators must do likewise wherever possible.

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

¹⁵⁹ “Address to the Standing Committee on Foreign Affairs and International Trade by Ambassador Robert Fowler, Personal Representative of the Prime Minister for the G8 Summit, and Personal Representative of the Prime Minister for Africa,” April 23, 2002, p.3.

¹⁶⁰ *Evidence*, May 7, 2002, Meeting No. 78, Vancouver.

¹⁶¹ *Evidence*, January 31, 2002, Meeting No. 54, 9:55.

¹⁶² Cited in *Ibid.*, 9:50.

¹⁶³ Patrick Brogan, *The Fighting Never Stopped: A Comprehensive Guide to World Conflict Since 1945*, Vintage Books, New York, 1990, p. 526.

particular emphasis on conflict prevention, including through the reduction of tensions and prejudice.

Increasing G8 Co-operation

Terrorism will be with us, alas, forever, because there will always be deviant individuals and deviant groups in any set of human society. What we need to do is raise the threshold that makes it more difficult for them to do these deeds that they are doing.

There are many things we can do together. One type of thing, for example, when you have systems that are transnational like the air transport system, it makes no sense for us or for you to ratchet up security in Ottawa or Toronto airports if somebody can get on an airplane in London or Bucharest at a lower level and once they're in the system, they're in the system. So we have to think about how we get common standards for raising thresholds.

A second thing we should do is try to learn from each other in best practices on homeland security ... some of our countries have dealt with this better than others. We have a lot to learn from each other.

Joseph Nye¹⁶⁴

The G7's first summit in 1975 dealt with macroeconomic issues, but terrorism appeared on the agenda as early as 1978. The G8 has addressed specific terrorist issues at its summits over the years, from hijackings (1980) to terrorist bombings and the need to improve international standards for airport security and explosives detection (1997). In 1996, the G8 adopted a set of counter-terrorism objectives/principles that it agreed to work towards. More important, on a practical basis G8 states led in the negotiation of the 12 UN counter-terrorism conventions, most of which were developed by the G8 Counter-Terrorism Expert Group, working under the guidance of foreign ministers. In 1997 the G8 states called for all states to join these conventions by 2000.

Following the September 2001 attacks on the United States, the G8 took steps both to underline the political consensus that existed and to increase practical counter-terrorist co-operation among its members, based on a 25-point action plan. As James Wright of the Department of Foreign Affairs and International Trade told the Committee in January 2002, "As president of the G8 this year, Canada is playing a lead role in the implementation of the comprehensive G8 Action Plan on counter-terrorism. This 25-point plan covers a range of issues including support for the UN role on anti-terrorism, financing, aviation security, immigration, drugs, cyber-crime and judicial co-operation."¹⁶⁵

¹⁶⁴ *Evidence*, May 2, 2002, Meeting No. 74, 10:55.

¹⁶⁵ *Evidence*, January 17, 2002, Meeting No. 52, 13:45.

G8 leaders asked Foreign, Finance, Justice and Interior Ministers to meet and strengthen co-operation, and this work has continued in the months leading up to the Kananaskis summit. In particular, given the increasing links between terrorists and traditional criminals, and the fact that the tools used to fight crime can also fight terrorism, the G8 has had its terrorism (Roma) and crime (Lyon) groups co-operate closely to ensure that their work was complementary. Reid Morden had also noted before the Committee that, "In terrorism, as with organized crime, you can do far worse than follow the money trail. That trail, for both kinds of illicit activity, is remarkably similar."¹⁶⁶ G8 legal experts therefore met in Ottawa in January 2002 to discuss legal measures to combat terrorist financing. In addition, G7 Finance Ministers discussed anti-terrorist financing at a meeting in Ottawa in February 2002, and this will also be a major focus of their meetings in Halifax on June 14-15, 2002. In addition to financial measures, the list of terrorism-related subjects that could be discussed at Kananaskis includes: aviation security, arms export control, security co-operation, denial of means of support, and identification and removal of terrorist threats.

In terms of specific initiatives, both Professor Nye and Stephen Flynn of the Council on Foreign Relations argued that the G8 should focus on increasing the security of international transportation networks. As noted above, Professor Nye gave the example of the air transportation network; Dr. Flynn focused in his testimony in the fall of 2001 on the vulnerability to terrorism of international commercial container traffic, particularly maritime traffic, which accounts for the bulk of international trade.¹⁶⁷ Deputy Prime Minister John Manley, who is also chair of Cabinet's ad hoc Committee on Public Safety and Anti-Terrorism, and responsible for liaison with U.S. Homeland Security Director Governor Tom Ridge, agreed on the need for action on container traffic in May 2002. As he put it, "... if the terrorists had wanted to really deal a blow to the world economy they would have left the World Trade Center alone and created a real fear about a biological or nuclear device in container traffic because we just aren't prepared to deal with that in a large way ... I think that if you're worried about terrorist activity, that's a place that your worry is not mis-spent."¹⁶⁸

International action to increase security of container traffic must obviously be designed so as not inhibit trade, and Dr. Flynn focused on the need both to increase the use of technology and to develop common standards for security and reporting on container traffic.¹⁶⁹ The Committee's December 2001 Report, *Canada and the North American Challenge: Managing Relations in Light of the New Security Environment*,

¹⁶⁶ *Evidence*, January 31, 2002, Meeting No. 54, 9:50.

¹⁶⁷ See "When Trade and Security Clash," *The Economist*, April 6, 2002, p. 59-62.

¹⁶⁸ David Rider, "Manley Feared Attack Against Commercial Container Traffic," *The Ottawa Citizen*, May 14, 2002, p. D2.

¹⁶⁹ *Evidence*, November 27, 2001, Meeting No. 46, 16:20. The Vancouver Port Authority had argued similarly in a submission focused on bilateral co-operation between Canada and the United States that "inter-agency data sharing, joint risk assessment and common databases are needed to provide intelligence, security and interdiction capabilities. An 'Integrated Information System' is proposed by the [Perimeter Clearance Coalition] as the backbone for linking multiple sources of information and positive identification systems to greatly increase ... security" *Submission*, The Vancouver Port Authority, p.2.

agreed, observing "... that the vulnerability of many international systems to terrorism cannot be reduced through a narrow focus on control activities along national borders ..." and that the G8 process was one way in which multilateral co-operation could be advanced.¹⁷⁰ As Peter Haydon told the Committee in Halifax:

... if you're going to make your port secure, you have to be prepared to ask yourself, What is in all those containers that are coming in? I think one of the keys to this ... is intelligence, not just intelligence within the Canadian system but intelligence all the way around — against terrorism and against crime generally, from the maritime side as well as the land side. Intelligence and good surveillance will do as much as anything to keep you a little more secure and a little less vulnerable than you would be otherwise.¹⁷¹

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.

Strengthening G8 Solidarity

In the months since September 11, the G8 has worked with the UN Security Council's Counter-Terrorism Committee, largely to prepare to help states sign and implement the 12 conventions. As Foreign Affairs Minister Graham told the Committee, "As for long-term counter-terrorism aims, the G8 will work together with the UN Counter-Terrorism Committee to provide capacity-building assistance such as technical training and legal assistance to those countries that are unable to implement UN Security Council Resolution 1373. This Resolution includes measures for suppression of terrorist financing and the implementation of the 12 UN counter-terrorism conventions."¹⁷²

While co-operation on capacity building is important, so is political leadership. The G8 would be in a stronger position if the eight states themselves had heeded their own call and ratified all of the UN conventions. Canada and the United Kingdom are the only two G8 states that have done so. In addition, some have argued that the fact that only three of the G8 countries sent their Justice ministers to a mid-May 2002 meeting in Canada is evidence that there is a lack of political commitment to the fight against

¹⁷⁰ *Canada and the North American Challenge: Managing Relations in Light of the New Security Environment*, December 2001, p. 16.

¹⁷¹ *Evidence*, February 26, 2002, Meeting No. 59, 15:35.

¹⁷² *Evidence*, April 25, 2002, Meeting No. 72, 9:15.

terrorism within the G8 itself.¹⁷³ This may not be the case, but, once again, actions speak louder than words.

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.

¹⁷³ See Jeff Heinrich, "Missing: G8 Justice Ministers, Absence of Top Lawmakers at Summit Raises Questions about Terrorism Fight," *The Gazette*, Montreal, May 16, 2002, p. A8.

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

We came together because of shared beliefs and shared responsibilities. We are each responsible for the government of an open and democratic society, dedicated to individual liberty and social advancement. Our success will strengthen, indeed is essential to, democratic societies everywhere.

Communiqué of the first Group of Seven Summit, Rambouillet, France, 1975¹⁷⁴

WHAT CANADIANS TOLD US

... the summit was first conceived and created as a global concert. ... Civil society protestors, G8 citizens, and outsiders thus have every right to ask the summit to take up and solve any problem they and their communities face. Unlike charter-bound and subject-specific international institutions, the G7/G8 system, especially at the summit level, cannot legitimately duck and pass the buck without offering a credible rationale.

Professor John Kirton, Director, University of Toronto G8 Research Group¹⁷⁵

The bill for hosting Kananaskis will almost certainly exceed Canada's total UN dues for 2002. The G8 serves to undermine the building of participatory global governance, and in this, it harkens back to a former age — that of the "Concert of Europe" — in which the main European powers conspired to consolidate their hold on power by periodically intervening and suppressing popular movements. Since it represents a small, wealthy minority of the planet, the G8 will inevitably amount to the same thing — albeit by modernized means. ... the G8 is obviously a dead end. Let's take the money spent on G8 summits and use it for something constructive — for debt cancellation initiatives, for getting aid contributions up to that 0,7% figure that they should have reached long ago, and to finance efforts at building global governance within a democratic context.

Eric Squire, *Submission*, Montreal, February 28, 2002, p. 2

If our government and other governments have nothing to hide, they should be transparent in their debate and exchanges, and make room for us there. The Quebec, Genoa or even the Kananaskis summits are not private meetings of the "Davos" kind, but as far as we know, they are intergovernmental exchanges, and it is the people who legitimize these governments to the world. The stakes are too

¹⁷⁴ Quoted in John Kirton, "Guess who is coming to Kananaskis? Civil society and the G8 in Canada's year as host," *International Journal*, Winter 2001-2002, p. 106.

¹⁷⁵ From an article prepared for the *International Journal* and submitted to the Committee in advance of his testimony in Toronto, May 8, 2002.

grandiose to leave such decisions to be taken without the knowledge of a majority of its citizens.

Blair Doucet, New Brunswick Federation of Labour Executive Council,
Submission, Saint John, February 28, 2002, p. 8

With globalization, matters which directly impact Canadians' lives are increasingly addressed in international bodies to which officials are generally appointed by governments rather than democratically elected by citizens. In order to ensure real and meaningful input from civil society in preparing its position at these meetings, the Government of Canada should undertake public consultations across the country well in advance of high-level summits.

Desirée McGraw, Montreal Director of G8 Research Group,
Submission, Montreal, February 27, 2002, p. 2

We note that if the G8 is genuinely concerned about equitable global development, it will seek to empower true multilateral institutions, such as the United Nations and the aforementioned International Criminal Court, which are potentially far more credible representatives of most of the world's population.

Edward Hudson, St. John's Mobilization for Global Justice,
Evidence, February 25, 2002, Meeting No. 58, St. John's

Are we not witnessing the jettisoning of the United Nations and its organizations? The G8 cannot conduct itself as the executive committee of the wealthy nations. In this respect, the CSN believes that the G8 would be well advised to advocate the strengthening of UN institutions, such as the International Labour Organization, the ILO, rather than assign itself new roles in the area of world governance.

Marc Laviolette, Confederation of National Trade Unions,
Evidence, February 28, 2002, Meeting No. 64, Montreal

... it is crucial that women occupy a special place in the discussions of the G8 member states. ... Obviously, there is no ready-made pre-packaged solution for reconfiguring the world. We know that millions of women around the world are contributing to the development of alternatives that can be immediately implemented ...

World March of Women, *Submission*, Montreal,
February 27, 2002, p. 1

Now we steam forward to the G8 without having had the opportunity to learn from Quebec City. Certainly we are again stressing to the policing services that will be responsible for security there that they need to give scrupulous attention to protecting the right to peaceful protest, which means two things. It may mean, in some instances, protecting peaceful protestors from non-peaceful protestors. But most importantly, it means there's not an excessive, intimidating policing response to peaceful events, such that people feel they cannot take to the streets. ... That would be a profound disservice to some of our most fundamental values.

Alex Neve, Amnesty International Canada, *Evidence*,
April 30, 2002, Meeting No. 66, Ottawa

We represent hundreds of thousands of people who have legitimate concerns, as much as the business community does. If our issues are going to be treated with

benign neglect, and if we're not going to be genuinely consulted as part of a process through the front door, then we're going to come at it another way. We're simply not going to be ignored. If that means, and it requires — it seems to — that we do it through the more traditional labour mechanisms, then we'll do that. We don't intend to have this process just sort of sail along without us.

Larry Brown, National Union of Public and General Employees,
Evidence, April 30, 2002, Meeting No. 66, Ottawa

... I think Canada needs to embark on a truly democratic debate on foreign policy and security affairs. ... The vision that stands before many of us is that we want our government in Canada to take a major lead forward in leading the world toward building a global governing system that provides democracy, equality, and a non violent resolution to international conflict.

Peter Coombes, End the Arms Race, Testimony, Meeting
No. 76, Vancouver, May 6, 2002

Dissent is a crucial element of democracy. The G8, and Canada in particular, often speak of promoting democracy and good governance around the world. Indeed, democracy and good governance also need to be protected within the G8. Greenpeace urges the Government of Canada and the Canadian security forces to ensure protestors are able to exercise their democratic rights. ... NGOs have a wide array of expertise that should inform the work of the G8. Greenpeace recommends that NGOs be granted observer status to the Summit. Further, it would be encouraging if the outcomes of the Committee's hearings were reflected in the Summit agenda. Too often, hearings such as these seem to be more of a public relations exercise than a sincere consultation.

Sarah Blackstock, Greenpeace Canada, *Submission*, Toronto,
May 7, 2002, p. 4

Canadians who protest policies of globalization are not terrorists or criminals. In a democratic country, government should protect the right of citizens to speak their mind and demonstrate their opposition or support of public policy.

Alberta Federation of Labour, *Submission*, Edmonton, May 9, 2002,
p. 3

There is a need for a broader, ongoing process of consultation with Canadians on the many, complicated issues associated with globalization. It is our hope that the work of this Committee will contribute to the beginning of regular formal dialogue and citizen input in this area.

Social Justice Committee of Montreal, *Submission*, Montreal,
February 27, 2002, p. 2

Governance and Democratic Accountability: Some Issues for the G8

While Professor John Kirton has argued that G7 summits were “conceived and created as a democratic concert”, and that “G7/8 governance was from the start a public

exercise, rather than an effort to practice democracy in private,”¹⁷⁶ it is apparent from the testimony received by the Committee that many Canadians are sceptical of its structure, mandate, and processes. We welcomed the statement made by Ambassador Fowler, the Prime Minister’s Personal Representative for the Summit, in opening our public hearings that these will be “critical to preparing the Prime Minister for the Summit, to engaging Canadians in a real discussion of the global challenges the G8 will address, and to facilitating the peaceful expression of views”. Official statements by G8 leaders and ministers have also increasingly acknowledged the need for encouraging more constructive citizen engagement around globalization issues, and for demonstrating greater openness and transparency. At the same time, those promises are clearly not enough to satisfy the criticisms and expectations of many activist constituencies, or to overcome more general complaints about the perceived inadequacies of public consultation efforts to date.¹⁷⁷

The Committee regrets that part of its hearings outside Ottawa were delayed and that circumstances of advance notice and publicity may sometimes have been less than ideal. But we believe it was important to have travelled to every region, and to have had the benefit of hearing directly from not just a few experts and heads of national organizations, but also individuals and volunteers, passionately concerned citizens, who were not afraid to speak their minds. We trust that this rich public record will also inform the Government’s deliberations on how to bring improvements to the Summit process.

Indeed, if there is something on which even former G7/G8 “sherpas,” academic supporters of the process, and the G8’s fiercest critics may be agreed, it is that issues of governance, democratic reform, and real accountability for realistic outcomes cannot be sidestepped or avoided, whatever the format for this year’s summit or future summits. Choosing a relatively remote site for the Kananaskis Summit, perhaps attractive in light of security dilemmas, cannot mean that G8 processes give the appearance of being in retreat, defensively insular and remote from citizens’ concerns. Credible reform of the G8 will have to embrace the challenges of summitry in an age marked by global insecurities of all kinds. And it must find ways, including through utilizing 21st century information and communications technologies, of reducing meetings’ costs and, more importantly, democratic deficits. As John Kirton cautions: “The understandable instinct to retreat to a small, ultra secure secret Summit, separated from civil society, is now in danger of leading the G8 into making a major mistake. ... Instead, better and more innovative ways must be found to connect with civil society and, through the media, with citizens throughout the G8 and around the world.”¹⁷⁸

¹⁷⁶ Ibid.

¹⁷⁷ Indicative is a new report by the Canadian Policy Research Networks which alleges a malaise in the current state of public consultations on federal policies. See Susan Phillips and Michael Orsini, *Mapping the Links: Citizen Involvement in Policy Processes*, Discussion Paper No. F21 released May 24, 2002 and available at <http://www.cprn.org>.

¹⁷⁸ *Submission*, “Guess who is coming to Kananaskis?”, p. 104.

Some submissions included suggestions for introducing more instruments of voice and accountability (both in terms of democratic public trust and international law obligations) into G8 decision-making. Several representatives of labour groups advocated formal consultations with domestic and international trade union associations. Henri Massé, President of the Fédération des travailleurs et travailleuses du Québec, argued that this would be one way for Canada to break new ground in terms of demonstrating openness to participation by citizens and their representatives. NGO spokespersons also pointed to the kinds of access, such as formal observer status, they now regularly enjoy in relation to United Nations organizations and conferences. Gordon Smith, a former DFAIT deputy minister and sherpa, who now heads the University of Victoria's Centre for Global Studies, congratulated the Committee for asking critical questions about future governance issues and referred to several reports done by his Centre that look ahead to "best practices to increase transparency, participation, and accountability" in international institutions.¹⁷⁹ He also called for exploration of innovative ways to involve more non-state actors, while reaching beyond elites (including those of civil society organizations). And he took the view that "Canada is a natural leader in this area", whereas the United States is not likely to be. Hence: "I think this provides us with the kind of opportunity that historically we have had and, I would hope, that we will play a leading role in that regard."¹⁸⁰

Given Canada's tradition of multilateral diplomacy, the Committee shares that expectation, and we feel confident that our former Chair, now Minister of Foreign Affairs Bill Graham, under whose leadership this study was begun, will agree. John Kirton testified in Toronto on May 7 that G8 foreign ministers should be meeting at least as frequently as G7 finance ministers, which may be a further avenue for Canada to exercise international leadership on urgent matters of the day such as the crisis in the Middle East. As Canada's leading expert on the G8, Professor Kirton also provided the Committee with a useful menu of things for the G8 to consider leading up to Kananaskis and beyond, *inter alia*¹⁸¹:

- developing a coordinated and enhanced information strategy that recognizes "transparency is a basic democratic duty";
- reaching out through public education vehicles which are multilingual and take advantage of electronic media possibilities;
- putting parliamentarians into the process (about which more below);
- generating G8 study centres and scholarship programs;

¹⁷⁹ "Rethinking Governance" Handbook: An Inventory of Ideas to Enhance Accountability, Participation, and Transparency, University of Victoria's Centre for Global Studies, n.d.; Report of the "2020 Global Architecture Conference", Victoria, B.C., August 2001.

¹⁸⁰ Evidence, May 7, 2002, Meeting No. 78, Vancouver, 11:10.

¹⁸¹ Submission, "Guess who is coming to Kananaskis?", passim.

- making better use of media coverage of summits;¹⁸²
- coming up with summit communiqués that are clear, comprehensible to the average citizen, incorporate action-oriented targets with specific timetables, and are honest about both past performance and current promises;
- inviting civil society into the summit process itself.

In regard to the last crucial point, Kirton argues that “a multi-stakeholder civil society forum, led by and involving parliamentarians, could meet simultaneously with the leaders, or, with minimal overlap, just prior to and at the start of the summit ... Whatever the precise formula, the media and the leaders interested in civil society views would have something to report on and to respond to other than those shouting slogans on the streets outside. An important part of this innovation would be for the G8 leaders collectively, and not just the host leader or others at their individual discretion, to meet with the leaders of the civil society forum.”

Immediately prior to the Kananaskis Summit, there will in fact be an alternative “People’s Summit” on the campus of the University of Calgary under the banner of the “G6B”, standing for “Group of 6 Billion.”¹⁸³ According to the written submission of Amnesty International, recommendations in a range of global governance areas are being developed through the G6B process, and they asked the Committee to “press the Canadian government to provide a means for the final recommendations of the G6B, along with other views from civil society gathered at the time of the Summit, to be received by the official Summit.”¹⁸⁴ In the Committee’s subsequent hearings in Calgary, Randy Rudolph, co-chair of the G6B conference education session, indicated that discussions have been taking place with Ambassador Fowler on “a mechanism to present our findings to him, our conference summaries, and our recommendations,” with encouraging signs that these will be fed into the Summit process itself.¹⁸⁵

Finally, the Committee observes that the expression of civil society views must above all work through their duly elected representatives. As renowned international relations scholar Joseph Nye told us, while other structures of global democracy may emerge in the future, at this stage within the national political communities that sustain democratic action: “Parliamentarians are the elected representatives of the people.

¹⁸² Desirée McGraw, an associate of the G8 Research Group, observed in her submission in Montreal on February 27 that: “Because the media do not have direct access to government delegates at G8/20 meetings, they must rely on carefully scripted press conferences and communiqués for information. Also, lacking direct access forces the media to turn outside the official summit for interviews and visuals — thus reinforcing, and perhaps exaggerating, the role of protestors. This skewed approach — caused by the current structure of most economic summits — does little to facilitate the quality of discussion of globalization issues among average citizens.” (p. 2).

¹⁸³ Full information on the June 21-25 G6B conference can be found at <http://www.peaceandhumanrights.org>

¹⁸⁴ *Submission*, April 4, 2002, p. 9-10.

¹⁸⁵ *Evidence*, May 8, 2002, Meeting No. 80, Calgary, 10:30.

I think having parliamentarians have more contact internationally with other elected representatives is the first important step in the direction that you desire to go in reducing the democratic deficit. I'm in favour of NGOs. They do many good things. NGOs are no substitute for elected parliamentarians."¹⁸⁶

John Kirton argues that the time has arrived for parliamentary democracy at the G8 level, observing that: "As the Summit of the Americas and the G7/8 systems are, for Canada and the United States, the only genuine international institutions centred on institutionalized plurilateral summitry where the participants are all democratically and popularly elected leaders, it is clear that the G8 should join the Americas in bringing parliamentarians into the process in an organized way." He suggests that "the case for the G8 and its core agenda is now sufficiently compelling in the mind of the average voter that the moment to launch a G8 Interparliamentary Group has come."

Referring to this Committee's 1999 pre-Seattle cross-country hearings on the WTO agenda — in relation to which, post-Doha, the Committee has recently reiterated its call for creating a "permanent WTO parliamentary mechanism"¹⁸⁷ — and now on the G8 summit agenda this year, Professor Kirton suggests that similar efforts could be encouraged in other G8 countries, with the results (such as this report) brought together at a G8 interparliamentary gathering and then passed on to leaders at a timely moment prior to future summits. In Kirton's view, this could still be possible up to the eve of Kananaskis. He proposes that Canada host an inaugural G8 interparliamentary meeting, with the September 2002 meeting in Canada of the speakers of G8 legislatures possibly serving "as a launching point for a G8 interparliamentary group."¹⁸⁸

The Committee emphatically agrees that civil society, including parliamentary, input into G8 deliberative and decision-making processes must not only become a permanent ongoing feature of these international governance arrangements, but must move in imaginative, accessible, and affordable directions that promote peaceful, productive participation by citizens and their elected representatives. Use of increasingly widespread interactive communications technologies — perhaps leading to the setting up of a G8 public outreach "virtual forum" and/or a G8 "virtual parliament" network — might be among the ideas to consider. While the Committee does not claim to have the answers, questions about more fundamental changes must be addressed by G8 leaders. There would of course be a cost to making the G8 more inclusive. But it would surely not be hundreds of millions of dollars. And such democratizing innovations might over time mitigate what, *faute de mieux*, has become an often counterproductive spotlight on brief high-profile leaders-only events that, as increasingly costly, contested, and security-obsessed affairs, are in danger of collapsing under the weight of their own management challenges and misgivings.

¹⁸⁶ Evidence, May 2, 2002, Meeting No. 74, Ottawa, 10:55.

¹⁸⁷ Committee's Report, *Building An Effective New Round of WTO Negotiations: Key Issues for Canada*, May 2002, Recommendation 26, p. xviii and p. 78ff.

¹⁸⁸ Submission, "Guess who is coming to Kananaskis?", p. 111-113.

In sum, it is time for the G8 to consider changes in the ways that it carries out the public's business in order, not only to secure its own future as a valuable instrument of multilateral governance that can work democratically and transparently, but to secure real accountable progress on collective public policy goals — for the benefit of its own citizens, those in other less fortunate regions notably in Africa — and ultimately overall, a better world for future generations.

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.

APPENDIX A LIST OF WITNESSES

| Associations and Individuals | Date | Meeting |
|---|------------|---------|
| OTTAWA, ONTARIO | | |
| Department of Foreign Affairs and International Trade Robert Fowler, Personal Representative of the Prime Minister for the G8 Summit and Personal Representative of the Prime Minister for Africa | 29/01/2002 | 53 |
| KPMG Canada Reid Morden, Chair, KPMG Corporate Intelligence Inc. | 31/01/2002 | 54 |
| McGill University Myriam Gervais, Senior Research Associate, Centre for Developing Area Studies | | |
| North-South Institute Roy Culpeper, President | | |
| University of Toronto Gerald Helleiner, Professor Emeritus, Department of Economics | | |
| ST. JOHN'S, NEWFOUNDLAND | | |
| Canadian Association of African Studies Christopher Youé, President | 25/02/2002 | 58 |
| Memorial University of Newfoundland Students Union Chris Vatcher, Vice-president | | |
| New Democratic Party of Newfoundland and Labrador Jack Harris, MHA, Leader Randy Collins, MHA | | |
| Newfoundland and Labrador Federation of Labour Elaine Price, President Nancy Shortall, Canadian Labour Congress Representative | | |

| Associations and Individuals | Date | Meeting |
|---|-------------|----------------|
| Oxfam Canada Linda Ross, Canadian Program Coordinator | 25/02/2002 | 58 |
| St. John's Mobilization for Global Justice Matthew Cook, Member Lori Heath, Member Edward Hudson, Member Sean Reany, Member | | |
| The Lantern Fay Edmonds, Representative Emma Rooney, Representative | | |
| HALIFAX, NOVA SCOTIA | | |
| Centre for Foreign Policy Studies, Dalhousie University Sandra MacLean, Professor of Political Science | 26/02/2002 | 59 |
| Dalhousie University Michael Bradfield, Professor of Economics Ian McAllister, Professor of Economics and International Development Studies | | |
| Harker Associates John Harker, Consultant | | |
| Nova Scotia Federation of Labour Rick Clarke, President | | |
| QUEBEC CITY, QUEBEC | | |
| “Institut québécois des hautes études internationales” Richard Ouellet, Regular member of the Institute and Professor of Law, Laval University | 26/02/2002 | 60 |
| HALIFAX, NOVA SCOTIA | | |
| Dalhousie University John Hoddinott, Professor of Economics | 27/02/2002 | 61 |
| Ecology Action Centre Mark Butler, Marine Co-ordinator | | |

| Associations and Individuals | Date | Meeting |
|---|-------------|----------------|
| Enviro-Clare Jan Slakov, President | 27/02/2002 | 61 |
| MONTREAL, QUEBEC | | |
| Alternatives Canada Charles Mugiraneza, Program Officer, Africa Moussa Tchangari, Director (Niger) | 27/02/2002 | 62 |
| “Association québécoise des organismes de coopération” Francine Néméh, Director Yolande Geadah, Program Co-ordinator | | |
| “Association québécoise pour la taxation des transactions financières pour l'aide aux citoyens” Robert Jasmin, President Pierre Henrichon, Secretary | | |
| Canadian Coalition for Nuclear Responsibility Gordon Edwards, President | | |
| “Fédération des travailleurs et travailleuses du Québec (FTQ)” Henri Massé, President Dominique Savoie, Director, Research Branch Jérôme Turcq, Vice-president of FTQ and Regional Executive Vice-president of the Public Service Alliance of Canada, Quebec Region Émile Vallée, Policy Advisor | | |
| G8 Research Group Désirée McGraw, Director (Montreal) | | |
| Raging Grannies of Montreal Joan Hadrill Barbara Seifred | | |

| Associations and Individuals | Date | Meeting |
|---|-------------|----------------|
| Social Democratic Front (Cameroun) Alain Deugoue Marie-Thérèse Nganchou Félicité Tchapda, President | 27/02/2002 | 62 |
| Social Justice Committee Derek MacCuish, Program Coordinator | | |
| SAINT JOHN, NEW BRUNSWICK | | |
| Canadian Labour Congress Dee Dee Daigle, Political Action Representative | 28/02/2002 | 63 |
| New Brunswick Federation of Labour Blair Doucet, President Bill Farren, Member of the Executive Council | | |
| MONTREAL, QUEBEC | | |
| Africa Canada Forum Serge Blais, Copresident | 28/02/2002 | 64 |
| Canadian Citizens Movement Peter Vunic, Founder, President and Chief Executive Officer Kenneth Fernandez, Vice-president | | |
| Club of Ambassadors and Entrepreneurs for Africa Raymond Leroux, Chair of the Board of Directors Michèle Clément, Executive Director | | |
| Confederation of National Trade Unions (CSN) Marc Laviolette, President Vincent Dagenais, Assistant to the Executive Committee | | |
| Development and Peace Robert Letendre, Director General Gilio Brunelli, Director, Development Programs Department | | |
| “Les artistes pour la Paix” Paul Klopstock, President | | |

| Associations and Individuals | Date | Meeting |
|--|-------------|----------------|
| “Table de concertation sur les droits humains au Congo/Kinshasa” Denis Tougas, Coordinator | 28/02/2002 | 64 |
| Westmount Initiative for Peace Judith Berlyn, Representative | | |
| World March of Women Lorraine Guay, Representative Jeannine Mukaniirwa, Representative | | |
| As an individual Eric Squire | | |
| OTTAWA, ONTARIO | | |
| Amnesty International (Canada) Alex Neve, Secretary General, English Section | 21/03/2002 | 66 |
| National Union of Public and General Employees Larry Brown, National Secretary-Treasurer | | |
| G8 Digital Opportunity Task Force (G8 DOT force) Canadian Advisory Committee Peter Harder, Deputy Minister, Department of Industry Richard Fuchs, Director, Information and Communications Technologies for Development, International Development Research Centre (IDRC) | 16/04/2002 | 68 |
| Canadian International Development Agency Len Good, President | 23/04/2002 | 71 |
| Department of Foreign Affairs and International Trade Robert Fowler, Personal Representative of the Prime Minister for the G8 Summit and Personal Representative of the Prime Minister for Africa | | |

| Associations and Individuals | Date | Meeting |
|--|-------------|----------------|
| Department of Foreign Affairs and International Trade Bill Graham, Minister Jim Wright, Assistant Deputy Minister, Global and Security Policy Chris Westdal, Canadian Ambassador to the UN for Disarmament Douglas Proudfoot, Deputy Director, Non-proliferation, Arms Control and Disarmament Division Ursula Holland, Non-proliferation, Arms Control and Disarmament Division | 25/05/2002 | 72 |
| Canadian Labour Congress Ken Georgetti, President Steven Benedict, Director of International Department Patricia Blackstaff, Executive Assistant to the President Pierre Laliberté, Senior Economist Ana Nitoslawska, Program Development Officer | 30/04/2002 | 73 |
| Representatives from African Embassies and High Commissions H.E. Pierre Diouf, Ambassador of the Republic of Senegal H.E. Sallama Mahmoud Shaker, Ambassador of the Arab Republic of Egypt H.E. Philémon Yunji Yang, High Commissioner for the Republic of Cameroon H.E. André Jaquet, High Commissioner of the Republic of South Africa H.E. Youcef Yousfi, Ambassador of the People's Democratic Republic of Algeria H.E. Berhanu Dibaba, Ambassador of the Federal Democratic Republic of Ethiopia Nuradeen Aliyu, Deputy High Commissioner for the Federal Republic of Nigeria | | |
| Canadian Institute of International Affairs Robert Edmonds, Past Chair, National Capital Branch | 02/05/2002 | 74 |
| Kennedy School of Government, Harvard University Joseph Nye, Dean | | |

| Associations and Individuals | Date | Meeting |
|---|-------------|----------------|
| WINNIPEG, MANITOBA | | |
| Canadian Foodgrains Bank Jim Cornelius, Executive Director Stuart Clark, Senior Policy Advisor | 06/05/2002 | 75 |
| Canadian Wheat Board Larry Hill, Director, Board of Directors Victor Jarjour, Vice-President, Strategic Planning and Policy | | |
| Manitoba Federation of Labour Rob Hilliard, President John Doyle, Communications Coordinator | | |
| VANCOUVER, BRITISH COLUMBIA | | |
| End the Arms Race Peter Coombes, National Organizer | 06/05/2002 | 76 |
| Liu Centre for the Study of Global Issues Lloyd Axworthy, Director and Chief Executive Officer John Atta-Mills, Visiting Scholar and Former Vice-President of Ghana Rhonda Gossen, Policy Advisor | | |
| Simon Fraser University Theodore Cohn, Professor of Political Science Stuart Farson, Professor of Political Science and Research Associate, Institute for Governance Studies | | |
| York University Reg Whittaker, Distinguished Research Professor Emeritus | | |
| TORONTO, ONTARIO | | |
| Canadian Council for International Cooperation Gerry Barr, President Salihu Lukman, National Director of Education, Nigerian Labour Congress Miriam Mukutuma, Deputy General Secretary, Zimbabwe Congress Trade Union | 07/05/2002 | 77 |

| Associations and Individuals | Date | Meeting |
|---|-------------|----------------|
| Canadian Ecumenical Justice Initiatives (Kairos) Salimah Valiani, Researcher/Educator, Asia | 07/05/2002 | 77 |
| Canadian Federation of Students Anita Zaenker | | |
| Greenpeace Canada Sarah Blackstock, G-8 Campaigner | | |
| Inclusion International Diane Richler, President-Elect and Secretary General | | |
| Project Ploughshares David Albright, President, Institute for Science and International Security Ernie Regehr, Director | | |
| VANCOUVER, BRITISH COLUMBIA | | |
| Centre for Global Studies, University of Victoria Gordon Smith, Director Joan Russow, Former sessional lecturer in Global Issues, University of Victoria | 07/05/2002 | 78 |
| TORONTO, ONTARIO | | |
| “Action et développement des projets communautaires” Lina Bamfumu, Secretary Nicaises Lola, Coordinator | 08/05/2002 | 79 |
| Canadian Peace Alliance (The) — Toronto Carolyn Bassett, Coordinator | | |
| Ontario Federation of Labour Wayne Samuelson, President Christopher Schenk, Research Director | | |
| Ontario Secondary School Teachers' Federation Rhoda Kimberley-Young, Vice-president Rod Albert, Executive Assistant | | |

| Associations and Individuals | Date | Meeting |
|---|-------------|----------------|
| Rights Action Grahame Russell, Representative | 08/05/2002 | 79 |
| Science for Peace Helmut Burkhardt, Past President Derek Paul, Past President and Coordinator of Working Groups | | |
| University of Toronto John Kirton, Director, G-8 Research Group | | |
| World Vision Canada Linda Tripp, Vice-President for Advocacy and Government Relations Henriette Thompson, East Africa Regional Program Manager | | |
| CALGARY, ALBERTA | | |
| Churches and Corporate Social Responsibility, Calgary Group Clint Mooney | 08/05/2002 | 80 |
| G6B Conference, Education Session Randy Rudolph, Co-chair | | |
| Project Ploughshares Calgary Kerry Duncan McCartney, Program Coordinator Janet Sisson, Member | | |
| Results Canada Catherine Little, National Manager | | |
| WINDSOR, ONTARIO | | |
| University of Windsor Fritz Rieger, Professor of Business | 09/05/2002 | 81 |
| EDMONTON, ALBERTA | | |
| Alberta Federation of Labour Kerry Barrett, Secretary-Treasurer Jim Selby, Research Director | 09/05/2002 | 82 |

| Associations and Individuals | Date | Meeting |
|--|-------------|----------------|
| Cambridge Strategies Inc. Satya Das, Principal | 09/05/2002 | 82 |
| Middle Powers Initiative The Honourable Douglas Roche, Senator and Chair | | |
| Stop TB — Halte à la tuberculose — Canada Anna Fanning, Chair Stan Houston, Member Walter Kipp, Member | | |
| SASKATOON, SASKATCHEWAN | | |
| Multi-Faith Social Justice Circle W. R. Adamson | 10/05/2002 | 83 |
| Oxfam Canada Trevor McKenzie-Smith, Prairie Region Coordinator | | |
| Roman Catholic Diocese of Saskatoon Tony Haynes, Director of Social Outreach Brian Murphy, Research Assistant | | |
| Saskatchewan Council for International Cooperation Hamid Javed, Chair, Board of Directors | | |
| Saskatchewan Federation of Labour Don Anderson, Executive Assistant | | |
| As Individuals Mary L. Day Kateri Hellman Pino John McConnell | | |

APPENDIX B LIST OF BRIEFS

Amnesty International (Canada)

Hugh Dempster

Eritrean Liberation Front (ELF-RC)

Shirley R. Farlinger

“Groupe Conseil Femmes-Expertise Inc.”

Halifax Initiative Coalition

Jason Hanson

Interagency Coalition on AIDS and Development (ICAD)

International Centre for Human Rights and Democratic Development

Marché international africain du Millénaire

Margaret Maier

Joanna Miller

Bruna Nota

Project Ploughshares Saskatoon

Margaret Pypher

Blaise Salmon

St. John's and District Labour Council

Veterans Against Nuclear Arms — Manitoba Branch

REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the Committee requests that the government table a comprehensive response to this report.

A copy of the relevant Minutes of Proceedings (*Meetings Nos. 31, 53, 54, 58-64, 66, 68, 71-83 including this report*) is tabled.

Respectfully submitted,

Hon. Jean Augustine, P.C., M.P.
Chair

Standing Committee on Foreign Affairs and International Trade Canadian Alliance Dissenting Opinion on Committee Report

The Canadian Alliance supports the principal declared objective of NEPAD — that of linking increased western aid to Africa with concrete measures on the part of African countries to open markets, to end corruption and to build democracy and the rule of law.

History clearly shows that those societies, which embrace these principles, are most apt to see an improvement in the standard of living for its citizens.

We also appreciate the fact that the Standing Committee on Foreign Affairs and International Trade has gone a considerable way to modify the original first draft of the report. We applaud the constructive and open dialogue between Committee members in working toward a unified position.

However, there remain aspects of the Report to which the Official Opposition cannot agree. These are:

1 The Fiscal Dimension

The Committee calls on Canada to work toward putting 0.7% of Canada's GDP into foreign development assistance. Were this recommendation to be implemented it would involve nearly tripling Canada's present level of development assistance. This is unrealistic for several reasons in that it:

- i) is fiscally unattainable given the other foreign and domestic spending priorities of the Government of Canada;
- ii) suggests that a Government-led approach involving large-scale public expenditure remains the best way to promote international development. Market access to the developing world is a more realistic and better approach to assist those in need.; and,
- iii) ignores the Auditor General's report of October 2000 which indicates that there are serious problems with the way aid is presently being delivered and administered. In that report, the Auditor General notes that CIDA's own tracking of "results" is totally inadequate. The Official Opposition sought to address this problem in a motion to Committee on May 28th, calling for clear guidelines for the distribution of CIDA grants as well as a mandatory independent annual audit of all CIDA grants. Although this motion was rejected by the majority of members on the

Committee, the committee did approve another motion suggesting a review process starting in September. This process should not be preceded by an expensive policy position which has debatable outcomes and no public reporting process of results.

2 NEPAD accountability

It is the view of the Official Opposition that Canada's entire approach to the delivery of development assistance needs to be reviewed. We believe the balance between the role played by Government and that played by Non-Governmental Organizations (NGOs) should be rethought. It is vital to adequately account for all Canadian aid dollars and to also hold recipient states accountable for democratic reforms. The Official Opposition will present its own paper on International Development Assistance taking new challenges and opportunities offered by globalization, NEPAD, and HIPC Initiatives.

In this regard, we have concerns that a "peer review" alone of NEPAD will not lead to democratic and human rights abuses (such as in Zimbabwe and elsewhere) being vigorously addressed by African leaders. A more objective accountability mechanism is required. We have further concerns that certain committee recommendations (such as Recommendation 2 which prohibits "user fees") may ignore local wishes by completely closing the door to citizen or private sector funding which local citizens may deem important.

3 Compelling Concerns of Canadians not Highlighted

The G8 Summit was designed, first and foremost, as an economic meeting to discuss common economic and trade challenges among the world's leading industrialized nations. However, somehow, over the years that agenda has been sidetracked.

Given the scope of agricultural, softwood lumber and other trade threats that Canadians are confronted with today, we expect the Government of Canada, as host of the G-8, to make foreign protectionism and subsidies a top priority.

4 Neglect of Canadian Interests with NEPAD Partners

The Prime Minister has identified certain countries in Africa as Canadian partners in promoting the NEPAD agenda. However, some of these countries, though they may receive large amounts of Canadian development assistance, have not been particularly responsive to Canadian calls for internal democratic and rule of law reforms.

While the Prime Minister has stated that investment will only flow to countries that observe the rule of law, it seems that both Canadian aid dollars and political attention will continue to be devoted to countries regardless of their failure to meet accepted

international rule of law and anti-corruption standards. This undermines the very goals of NEPAD itself.

5 Late timing of report impairs effectiveness

A further major problem with this report is that it is being presented far too late to seriously impact on any aspect of the Summit. This is not a fault of either the members of the Committee or the Committee's staff. To a large extent, the pre-summit consultations between governments are already complete and the agenda for the summit has been set. To be effective, a parliamentary committee report from the most junior member of the G8 should have been produced long before a few weeks prior to the conference itself. Unfortunately this was not done. This means that once again, a Canadian parliamentary committee will produce a report that may have diminished impact on the Government of Canada. We will watch to see how effectively the Committee's concerns are dealt with.

Supplementary Opinion
Standing Committee on Foreign Affairs and International Trade
Report on Canadian Priorities for the 2002 G8 Summit

Svend J. Robinson, MP

I acknowledge and value the dedication and hard work of my Committee colleagues in holding extensive hearings and travelling across Canada to hear the views of a wide variety of concerned Canadians during the course of this important study. My New Democrat colleagues and I are largely in agreement with the recommendations of the Committee, however, in a number of important respects we believe that the final Report of the Committee must be strengthened. Like my colleagues, I want to thank all of the witnesses who appeared before us, both in Ottawa and across Canada.

The most important conclusion drawn by all members of the Committee is that Canada must take the lead in urging all G8 members to undertake coherent, broadly-based multilateral approaches to global reforms, including reforming G8 processes to make them more results-oriented and democratically accountable. Increasing the inclusion and participation of NGOs, labour groups, academics, and other concerned citizens in the decision-making processes of the G8 is urgently required. My New Democrat colleagues and I hope that the public hearings held in preparation for the Committee's Report will be only the beginning of this trend.

The following are the key areas in which we believe that the majority Report must be changed or strengthened:

- The Report urges Canada to encourage the negotiation of reformed international trade rules and practices to increase the benefits of trade for the poorest people and regions in the world, with particular attention to Africa. The NDP supports this recommendation, but notes that it stops short of calling for a reformation of international trade regimes to allow for the democratic participation of parliamentarians, non-state actors, and citizens, which would significantly increase the transparency and accountability of such international bodies. It must strongly condemn the current structural adjustment policies which have been so destructive, and increased the gap between rich and poor, and call for fundamental changes to the IFI's such as the World Bank and the IMF, and the WTO. They must be democratized to strengthen third world meaningful participation.
- The Report recommends that the Committee urge Canada and its G8 partners to provide increased funding for international development, and to create a working group to improve the effectiveness of members' foreign aid policies, yet it remains silent on the issue of "tied" aid. We believe the Report should recommend that Canada lead by example in declaring all of its development assistance funding be

provided with no provisions that Canadian technology or expertise be used exclusively in the implementation of development projects. In order to ensure that the full benefit of our ODA accrues to the recipient countries, we must abandon the notion that the majority of our ODA return to Canada as contracts for Canadian businesses. As well, the report should support the CCIC target of 0.35% of GDP towards ODA within 5 years, and from there moving rapidly to meet the UN target of 0.7%.

- The Report should recommend that Canada and the G8 nations abide by their commitments to the UN Millennium Development Goals, including halving extreme poverty and hunger, ensuring universal primary education, and halting the spread of HIV/AIDS and other major diseases, by the year 2015.
- The Report recommends that Canada should promote substantial additional debt relief for the poorest countries, but only as a “reward” for the fulfilment of certain conditions. We believe that the Report should go much further, to advocate that Canada and its G8 partners immediately and unconditionally cancel the debt owed by the highly-indebted poor countries. Debt burdens are a very real killer in the developing world, which consign millions to premature deaths. Any delay in implementing complete debt relief only serves to increase the death toll.
- Most Africans do not know anything about the contents of the NEPAD, as was confirmed at the recent CIDA supported conference in Montreal. We therefore believe that the plan must be sent back for full consultation and feedback to African NGOs and civil society, with real citizen involvement. Furthermore, we disagree with the fundamental premise of NEPAD, that increased trade and foreign investment are the key to reducing poverty in Africa. That has not been the experience in Latin America
- Rather than recommending that Canada press for a G8 Action Plan which would impose stricter multilateral controls on illicit arms transfers to Africa, we believe the Report should go a step further, and seek increased controls on the export of arms from G8 nations to African nations, especially those in which conflicts are raging.
- The Report recommends a strengthened process around conflict diamonds, but ignores the urgent need for controls to deal with conflict oil in Africa. We believe that if Canada is serious about its concern for Africa, it must immediately acknowledge the role of oil development in the tragic civil war in Sudan, and then take action domestically and multilaterally through the G8 to establish enforceable codes of commercial conduct throughout Africa, but particularly in zones of conflict. Canada is complicit in the perpetuation of violence in Sudan, as it has taken no steps to prevent Talisman Energy Inc. of Calgary, Alberta from continuing its oilfield development operations in Sudan, which have been conclusively shown to provide a lucrative source of income to Sudan’s genocidal government. We must also strengthen the Special Economic Measures Act to enable the government to take action on corporate misconduct where necessary.

- The Report recommends that the G8 Action Plan for Africa address the HIV/AIDS crisis in Africa on a number of levels, but we believe that the pandemic is so devastating to that continent that the G8 must immediately establish a working group devoted to the issue, which would seek broad input from state and non-state actors in drafting recommendations for action to achieve the UN Millennium Development Goal of halting and reversing the spread of HIV/AIDS by 2015. There must be far more resources marshalled for the fight against HIV/AIDS, in both prevention and treatment, as well as tuberculosis and malaria. We strongly support the recommendations of UN Special Envoy Stephen Lewis on this subject.
- The Report should unequivocally call on Canada to promote modification of the compulsory licensing agreement under TRIPS to allow developing countries without access to appropriate manufacturing capacity to freely import generic medications. It is unacceptable that lives should ever be put at risk in order to protect the profits of multinational pharmaceutical corporations.
- The Report should recommend that Canada lead by example in quickly removing barriers to trade which prevent developing nations from benefitting from their exports, particularly in the textile and agricultural industries.
- While the Report recommends that Canada and the G8 consider implementation of enforceable international business standards with credible monitoring and reporting mechanisms in Africa, it is silent with regard to international human rights standards, and the importance of labour standards. G8 nations must enforce acceptable standards of conduct for their businesses which invest in Africa or other developing regions, and ensure that they respect and support human rights, including labour rights, in those countries in which they invest and operate.
- The Report recommends that Canada and the G8 ensure that NEPAD promotes good governance and democratic development in Africa, yet it does not mention the primacy of international human rights law in this regard. We support a rights-based approach to meeting African development needs, but NEPAD largely ignores this. We believe that good governance does not exist where people live in fear and insecurity due to the lack or denial of effective systems to ensure the maintenance and functioning of international standards of human rights.
- The Report recommends that the Africa Action Plan include environmental sustainability as an essential component of economic recovery and development. We believe this is critically important, but would note that African nations are not alone in shouldering this responsibility. Canada and its G8 partners must take immediate steps to ensure that private business investments as well as publicly-funded development projects are carried out in Africa with the highest possible standards of environmental sustainability, and made subject to public scrutiny both in Canada and in the target country.

These are the key areas in which my New Democrat colleagues and I believe the Report should be strengthened.

MINUTES OF PROCEEDINGS

Thursday, May 30, 2002
(Meeting No. 86)

The Standing Committee on Foreign Affairs and International Trade met in a televised session at 8:54 a.m. this day, in Room 237-C, Centre Block, the Vice-chair, Bernard Patry, presiding.

Members of the Committee present: Sarkis Assadourian, Aileen Carroll, Stockwell Day, Mark Eyking, Marlene Jennings, Stan Keyes, Francine Lalonde, The Hon. Diane Marleau, Keith Martin, Pat O'Brien, Pierre Paquette, Bernard Patry, Svend Robinson.

Acting Member present: Liza Frulla for The Hon. Jean Augustine.

In attendance: From the Parliamentary Research Branch of the Library of Parliament: James Lee, Gerald Schmitz, Research Officers.

Appearing: The Honourable Bill Graham, Minister of Foreign Affairs.

Witnesses: From the Department of Foreign Affairs and International Trade: Gaëtan Lavertu, Deputy Minister of Foreign Affairs; Kathryn McCallion, Assistant Deputy Minister, Corporate Services, Passport and Consular Affairs; Lorenz Friedlaender, Head of Policy Planning, Policy Planning Secretariat.

Pursuant to Standing Order 81(6), and the Order of the House of February 28, 2002, the Committee resumed consideration of the Main Estimates for 2002-2003: Votes 1, 5, 10, 15, 20, 25, L30, L35, 40, 45, 50 and 55 under Foreign Affairs and International Trade.

The Chair called vote 1.

The Minister made a statement and with the witnesses answered questions.

At 10:10 a.m., the Committee proceeded to discuss its future business.

On motion of Marlene Jennings, it was agreed, — That, after the House resumes sitting in the fall, the Standing Committee on Foreign Affairs and International Trade undertake a study of the Results-Based Management and Accountability Framework of the Canadian International Development Agency.

On motion of Aileen Carroll, it was agreed, — That at noon on Tuesday, June 4, 2002, the Committee consider issues relating to the foreign policy of the Islamic Republic of Iran, that Mr. Ali Ahani, the Iranian Vice-Minister for Europe and the Americas be invited to appear and that a working lunch be ordered.

At 10:15 a.m., the Committee proceeded to sit in camera.

Pursuant to Standing Order 108(2), the Committee resumed consideration of the Agenda of the 2002 G8 Summit (See *Minutes of Proceedings* of Tuesday, October 16, 2001).

The Committee considered a draft report.

It was agreed,

- That the Committee adopt the draft report, *Securing Progress for Africa and the World, A Report on Canadian Priorities for the 2002 G8 Summit*, as amended, as a Report to the House;
- That, pursuant to Standing Order 109, the Committee request that the government table a comprehensive response to this report.
- That the Chair be authorized to make such typographical and editorial changes as may be necessary without changing the substance of the report.
- That, pursuant to Standing Order 108(1)(a), the Committee authorize the printing of brief dissenting and/or supplementary opinions as appendices to this report immediately after the signature of the Chair, that the opinions be sent to the Clerk of the Committee by electronic mail in both official languages on/before May 30, 2002 at 12 noon.
- That the Chair or her designate be authorized to present the report to the House;

At 11:52 a.m., the Committee adjourned to the call of the Chair.

Stephen Knowles
Clerk of the Committee