BALSILLIE SCHOOL
OF INTERNATIONAL AFFAIRS

Cracks in the Liberal International Order

2018 Global Trends Report

An Anthology of Briefing Notes by CIGI Graduate Fellows at the
Balsillie School of International Affairs

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Global Affairs Canada   Affaires mondiales Canada

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Introduction

The year 2017 was difficult for those who believe in and advocate for the modern liberal international order — the order that rose from the ashes of World War II and is premised on the principles of rule of law, individual human rights and multilateralism. Popular nationalist movements on the left and right of the political spectrum in Europe and the United States continued to gain mainstream appeal, often pointing the finger at international trade agreements, and immigrants and refugees for the loss of jobs and a sense of shared identity, respectively. As part of its "America First" agenda, the new Trump administration in the United States announced three days into its tenure that it would not be seeking Congressional ratification of the Trans-Pacific Partnership agreement, which would have created a free trade zone among 10 pacific coast countries, and followed up by blocking a G20 statement that called on members to resist protectionism. On June 1, it withdrew from the Paris Climate Change Agreement on the grounds that it would hurt the US economy. Across the Atlantic, Europe continued to struggle with the political and economic fallout of the "Brexit" vote in the United Kingdom, while the European Union's inability to effectively manage the arrival of refugees and migrants continued to cast doubts on the future of the European project. On the security front, tensions between the West and Russia escalated following revelations of Russian interference in the 2016 US presidential election, North Korea continued to advance its nuclear weapons program, and solutions to end the civil wars in Syria and South Sudan — wars that have resulted in hundreds of thousands killed and millions displaced — remained elusive. For a middle power such as Canada that relies on a peaceful, rules-based world order, these developments are troubling. In her June 6 speech outlining Canada's new foreign policy priorities, Minister of Foreign Affairs Chrystia Freeland conceded that Canada can only thrive in a world in which cooperation is the norm, not the exception.

One of the pillars of the Balsillie School of International Affairs (BSIA) is that innovative policy solutions are based on sound, empirical research and incisive analysis.

This anthology of briefing notes — *Cracks in the Liberal International Order: 2018 Global Trends Report* — is the final output of the 2016-2017 CIGI Graduate Fellowship program, a professional development program that the BSIA runs in conjunction with its three partners: the Centre for International Governance Innovation (CIGI), Wilfrid Laurier University and the University of Waterloo. The program is a key component of our efforts to cultivate and develop our students' research and policy analysis skills.

The primary objectives of this anthology are twofold: first, to make sense of the current threats to the global system; and, second, to propose steps that the Government of Canada can take to mitigate — and even counter — the negative effects of these developments. It is the follow-up to the inaugural anthology produced by our students — *Turbulent Present, Uncertain Future: 2017 Global Trends Report*.

Like the 2017 report, *Cracks in the Liberal International Order* is the product of a highly successful collaboration the BSIA established in 2015 with the Foresight Division of the Foreign Policy Bureau of Global Affairs Canada. The Foresight Division is responsible for identifying new and emerging trends that could significantly impact the world in five to 10 years' time, and to develop recommendations to adapt Canadian foreign policy to the changing and evolving nature of the global operating environment in the twenty-first century.

The briefs in this collection — which were presented to more than 60 officials in Ottawa in June 2017 — offer new policy insights on a wide range of issues that are relevant to Canada. Section 1 on globalization examines the emergence of "non-traditional political movements" and proposes a series of steps that Canada can take to mitigate their impact on the international system. Section 2 on the environment looks at the related challenges of climate change and groundwater depletion, and suggests ways in which Canada can aid other countries to manage

these current and looming threats. Section 3 on health and development explores opportunities for Canadian leadership in the areas of maternal health, development assistance and currency volatility, and urban food security. Section 4 on mass movements of people proposes a series of initiatives relating to migration and refugee protection that Canada can champion abroad, specifically reforms to international labour migration regimes, new models to support refugee resettlement and innovative financing mechanisms for the refugee protection regime. Section 5 on security recommends steps that can be taken to strengthen Canada's peace building and countering radicalization to violence programs. Finally, Section 6 on engaging with Asia identifies four ways in which Canada can strengthen its contributions to security in the Asia-Pacific and to increase trade with the world's most rapidly growing region.

Some thanks are in order.

We are deeply indebted to Martin Roy and Manual Mulas, our colleagues in the Foreign Policy Bureau at Global Affairs Canada, for all of their guidance, support and efforts in organizing the day of briefings at Global Affairs.

This project would not have been possible without CIGI's generous support, both financial and in-kind. We would like to take this opportunity to express our thanks to President Rohinton Medhora and Chief of Staff Aaron Shull for the funding support offered to the students, as well as to the many other staff at CIGI, among them Erik Davies and Sean Zohar, who coached our students on how to frame their policy recommendations in ways that are of value to the Canadian government, and to Carol Bonnett and Vivian Moser for all of their work getting this anthology to press.

We would also like to thank the many BSIA faculty, mentors and staff who worked with the students throughout the year. The CIGI Graduate Fellowship program is very much a "whole-of-school" project. It could not happen without their dedication and commitment to the success of the program.

Last, but not least, we would like to thank our graduate students for all their hard work, enthusiasm and fresh thinking on some of humanity's most critical governance challenges.

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Globalization

Addressing the Globalization Backlash: Good Governance in an Era of Political Instability

Emma Dreher and Emilie Turner

Issue

The rapid emergence of non-traditional political movements represents one of the greatest challenges that governments face today. Rooted in widespread disillusionment with, and distrust of, traditional government, these current movements — and those on the horizon — have the potential to threaten Canadian foreign policy priorities and its model of cooperation abroad.

Background

- The rise of non-traditional political movements — those that override the classic left/right divide — have had, and will continue to have, destabilizing implications for Global Affairs Canada's (GAC's) 2017-2018 priorities, which emphasize the need for global cooperation and formation of bilateral partnerships (GAC 2017).

- While non-traditional political movements take a variety of forms, the centrality of disillusionment with, and distrust of, government remain two crucial factors that can be identified as key drivers of these movements.

- Disillusionment and distrust are exacerbated by the globalization of major crises, in particular by the type of globalization that fuelled the 2008 financial crisis and the ongoing refugee crisis.

- This shifting political landscape provides an important opportunity for Canada to emerge as a global leader in good governance by fostering more accountable and open governments around the world, while ensuring that Canada is able to continue reinforcing and strengthening its relations with all actors in the international system.

Emerging Political Trends: Populism and Other Non-Traditional Political Movements

Defining Non-traditional Political Movements and Their Emergence in the Political Mainstream

Within a contemporary context, non-traditional political movements evade the classic left/right political divide, and often assume anti-globalist, populist and/or anti-establishment platforms. While populism has been the focus of most academic and journalistic critiques of non-traditional political movements, it is important to establish first and foremost that populism, in and of itself, is neither inherently good nor bad (Fukuyama 2016). That said, the recent populist movements that have emerged as a backlash to globalization present specific challenges to Canadian foreign policy given the Canadian government's emphasis on global cooperation and bilateral partnerships.

Populism can be defined as a movement against the status quo, one that considers society to be divided into two homogenous categories: the "pure people" and the "corrupt elite" (Mudde 2013, 1). Populism, and other non-traditional movements that possess similar characteristics, arises in response to a variety of complex and competing

factors. Resulting political movements have therefore assumed different forms depending on the political, economic and social contexts within which they were established. Due to these complexities, such movements have been conceptualized as a threat to both national and international stability, a symptom of the discontent fueled by globalization, as well as a form of "democratic corrective" on behalf of "groups that do not feel represented by the elites" (Rovira Kaltwasser 2015, 289). Given the current global political climate, such movements — especially those commonly labeled as "populist" — are not necessarily nationalistic or xenophobic, as is often assumed. This mislabeling further illustrates the need to address the underlying factors that fuel such movements, some of which are explored here.

Backlash Against Globalization

Populism, and other emerging non-traditional political movements within a contemporary context, are widely acknowledged to have emerged as a backlash against globalization — defined as a form of social, economic and political integration — and pose a threat to global cooperation through their act of resistance against "the elite" and other traditional governing structures (Kumar 2011). The notion that these movements gain support from the "losers" of globalization is one of the most widely held hypotheses concerning the rise of populism and, by extension, the rise of other non-traditional political movements in the Western hemisphere (Bachman and Sidaway 2015; Barsych 2013; Reynié 2016; Wodak 2015; Zaslove 2008).

This globalization backlash is a traditionally accepted framework used to conceptualize populism and other similar movements, as exemplified following the 2008 financial crisis when it was noted that "globalization's losers started to organize and find anti-establishment champions on both the left and right" (Roubini 2016, paragraph 9). Furthermore, the rapid development of technology and movements toward automation (Inglehart and Norris 2015; Zakaria 2016), alongside the current influx of people across borders — generally characterized by recent largescale entries of refugees around the world (Mudde 2016) — have been further exacerbated by globalization, triggering upward trends in widespread disillusionment with government.

Backlash Against the "Elite"

Due to both the perceived and real failures of governments around the world to respond adequately to the pressures of globalization, many are experiencing an overwhelming loss of faith in political institutions and actors (Edelman 2017a). According to the recently released 2017 Edelman Trust Barometer — executed by Edelman, a global communications and marketing firm that measures citizen trust in governing institutions — citizen trust has experienced a decline globally throughout 2016 and 2017. Countries associated with the most prominent populist movements and campaigns that espouse populist characteristics — specifically the United Kingdom, France and the United States — were found to have populations that increasingly believed that "the system" was failing them (ibid.). A lack of confidence in governing institutions, coupled with the notion that the system is biased in favour of the elite, results in a "profound crisis in trust" in institutions across the board — causing political systems to break down entirely (Edelman 2017b, 2). This crisis results in increased feelings of fear and anxiety that further erode trust, thereby creating fertile ground for the emergence of candidates who capitalize on this widespread discontent (Edelman 2017a).

Increasing disillusionment with and distrust of traditional governing bodies fosters a backlash against the elite that is driven by those who, feeling largely unsupported by their governments, find it difficult to navigate through the cultural and economic transitions that have been intensified by globalization. These transitional phases serve as mobilizing events where a divide between "us" and "them" is quickly created and sustained by rhetoric that assumes an inherently divided population between the "will of the people" and "the elite" (Mudde 2013, 4).

How These Movements Gain Traction

Traditional populist movements, as well as other emerging political movements that possess similar characteristics, gain traction by leveraging resentment, frustration and disillusionment with government. As mentioned, these sentiments often arise following the real and/or perceived failures of various elite actors and institutions who neglected to, or insufficiently accounted for, the diverse experiences of a given population.

Candidates who draw upon the perceived shortcomings of current governments, and encourage the distrust that emerges alongside feelings of being left behind or undervalued by government, are key actors in sustaining the growing divide between the people and the elite. This fragmentation is exploited by political candidates aiming to reshape decades of outward-looking social, economic and foreign policy focuses by representing themselves as the only alternative, whereby the "will of the people" will be returned to the forefront of government policy making.

Challenges and Opportunities for GAC

Recent movements that favour inward-looking policies come to pose specific challenges and opportunities for GAC, as non-traditional political campaigns have resulted in increasingly inward-looking governments. While this emerging political trend poses a set of challenges to various policy objectives both at home and abroad — including global cooperation and partnership on issues such as free trade agreements, global environmental concerns and security agreements — this shifting political landscape also provides an opportunity for Canada to emerge as a global leader in good governance.

These emerging populist trends are equally illustrative of the importance of comprehensive, objective research regarding the political phenomenon that is populism and other non-traditional movements, considering how emerging movements have often been written off as "radical" without careful consideration and adequate understanding of *why* and *how* they gain support, and to what degree they may actually represent the will of the people. By addressing the underlying factors fueling these movements that have emerged as a backlash against globalization and traditional governance structures, Canada has the unique ability to mitigate the potential challenges that arise in consideration of GAC's 2017-2018 priorities.

How Should Canada Respond?

The proliferation of non-traditional political movements arising in response to "corrupt" governing structures are indicative of the need for better transparency between governments and their citizens. Transparency — in its capacity as a facilitator of open communication, increased accessibility and accountability — is a key element of establishing "good governance" as it fosters more open and responsive governments (Grimmelikhuijsen et al. 2013, 2). Trust, a central component in the relationship between citizens and their governments, is strengthened when citizens believe their voices are heard and that they can fully engage with their elected officials. In contrast, a lack of transparency fuels distrust of government and suspicion of its leaders, creating an environment where populist rhetoric better resonates with the many groups who feel unheard. Leaders, perceived as part of the elite, are ultimately accountable to the people who elect them — and where transparency is lacking, so, too, is these leaders' ability to demonstrate accountability to the issues of importance to their citizens (Wichowsky 2011). Through increased initiatives aimed at strengthening the government's rapport with its own citizens, Canada would be actively working toward both safeguarding and increasing global partnership and cooperation.

More accountable and transparent governance that strengthens relationships between governments and their citizens is an important first step toward mitigating shocks across the political spectrum that occur when populist and other non-traditional political movements gain increasing power. Improving transparency and accountability represents more than just good politics — it is, above all, good governance that envisions closing the gap that exists between the people and the elite while creating more inclusive, responsive political systems in the process.

Existing Programs, Partnership and Initiatives

GAC is currently involved in several transparency and accountability-related initiatives around the globe. While these initiatives currently lack the reach necessary to ensure that global cooperation and bilateral partnerships are not jeopardized given recent political shifts, they can be leveraged as a starting point to address concerns surrounding the potentially adverse effects of populist movements.

Transparency International

Canada continues to support several programs initiated by Transparency International, a non-governmental organization working to combat corruption through transparency and accountability measures. Through the IMPACT program (Integrity, Mobilisation, Participation, Accountability, Anticorruption and Transparency), Canada has partnered with Transparency International to encourage good governance and participatory development, while also working with businesses to improve their own practices and anticorruption measures. This program currently supports Mozambique, Venezuela, Nigeria, Honduras, Colombia, Argentina, Guatemala, Trinidad and Tobago, Peru, the Democratic Republic of Congo, Ghana and Jamaica (Government of Canada 2017a). In previous years, Canada has also supported the 2010–2013 Institutional Support Program, as well as the 2007–2009 Program on Preventing Corruption, which is operational in Africa, Asia, Europe and the Americas. These programs work to reduce corruption and provide insight into wider transparency initiatives that can potentially serve as models for other governments, as well as public and private institutions around the world (Government of Canada 2017b; 2017c).

Transparency International continues to provide meaningful analysis and tool kits in an effort to aid foreign governments, encourage direct citizen participation, and promote the adoption of practical approaches that encourage integrity and address the increasing sense of frustration and alienation many citizens experience toward their government and other governing institutions.

Open Government Partnership

Canada is also part of the Open Government Partnership, a multilateral coalition that seeks to strengthen inclusive, transparent and just governance practices. By joining in 2011, Canada recognized the importance of open access to information and dialogue between governments and their citizens (Open Government Partnership 2011). Through a donation of US$400,000 over the past two years (Open Government Partnership 2016), Canada has supported the partnership's work in encouraging open and responsive governments around the world.

Additionally, Canada has acknowledged the importance of reporting on its own national progress and commitment to open government initiatives in order to serve as a potential model for foreign governments. Canada's commitment to open government initiatives is apparent in the its Third Biennial Plan to the Open Government Partnership of 2016–2018, in which it endeavours to expand open access to data while working to improve citizen engagement through open dialogue and policy making (Government of Canada 2016). Through these commitments, Canada has acknowledged the value of building trust and maintaining the integrity of its institutions in order to promote an effective and accountable government. Most importantly, Canada recognizes the tremendous opportunity it has in becoming a global leader with respect to increased transparency and open government initiatives for the rest of the world (ibid.).

Recommendations

Existing initiatives that foster transparency should be continued, with continued and/or increased funding and partnership expansion with regard to Transparency International. While increasing investment in initiatives aimed at improving government transparency and accountability is not a universal response to the many challenges populist and other non-traditional political movements present, it does represent a considerable step forward in encouraging citizen participation, integrity and dialogue between governments and their citizens — lessening the divide between the people and the elite. By further expanding the Canadian government's range of partnerships and involvement with transparency-related initiatives around the globe, the Canadian government would be acting in line with its priority of a "more just, inclusive and sustainable world" (GAC 2017), while laying the groundwork necessary for greater global cooperation and bilateral partnerships regarding international trade and development, security and the environment.

Canada's transparency model should be widely championed via the Open Government Partnership, including advancements made through Open Government Canada with respect to expanded access via open data. Transparency-related initiatives engage one of the key factors fueling populist and other anti-establishment movements by addressing the distrust and the disconnect that exists between the people and the elite. Investing in transparency-focused organizations and initiatives, and building on existing partnerships, would further promote more open, accountable and transparent governments abroad — in line with GAC's priorities

related to increased accountability and transparency in government. Such initiatives support greater trust in government while responding to widely held concerns that governing institutions are inaccessible and do not have all citizens' best interests in mind when crafting policy. This recommendation takes into account that some populist movements have indeed advocated for stronger and more participatory government.

Ongoing research is crucial to gain a deeper understanding of how and where non-traditional or anti-establishment political movements are emerging, and which factors contribute to their influence. A deeper engagement in research would provide a more comprehensive analysis of the driving forces behind populism and other emerging political movements, while identifying the challenges and opportunities they present for Canadian foreign policy. A thorough analytical understanding of such movements would foster a better grasp of the complexities that non-traditional political movements pose in a modern context, with such analysis expanding on existing research in an effort to address the wide variety of factors at play, and the numerous forms these movements assume on a global scale. This is particularly relevant given that the rapidly evolving nature of these movements is difficult to predict, with the rise of each unique movement representing the possibility of various diverging outcomes and implications for Canadian foreign policy.

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Environment

Canada in a Climate Disrupted World: Building Long-term Capacity in Partner Countries

Jad Hachmi, Masroora Haque and Christian Robertson

Issue

There is a need to support capacity-building for climate change that leverages Canada's expertise and supports mechanisms that develop long-term, sustainable capacity in partner countries.

Introduction

The capacity to implement mitigation and adaptation strategies is essential to transition to a low carbon pathway and build resilience in a world disrupted by climate change. However, traditional approaches to capacity-building are short-term, ad hoc and project-based, with the long-term impact of these interventions remaining unclear (Khan et al. 2016; Nakhooda 2015; Organisation for Economic Co-operation and Development [OECD] 2006). This policy brief outlines the need to develop a long-term, systems-based approach to capacity- building in partner countries where Canada is already engaging in collaborative development projects and where Canada has existing expertise.

Capacity-building can be understood as a process by which "individuals, groups, organizations and societies enhance their abilities to identify and meet development challenges in a sustainable manner" (Canadian International Development Agency 2000, 5). Enhancing the abilities of climate-disrupted countries to adapt to the impacts of climate change and implement mitigation strategies is crucial to achieving global climate and development goals.

The Need to Think Long Term

Since the impacts of climate change will manifest in the long term, the transition to a low-carbon economy and measures needed to adapt to one will need to be implemented over the long term as well. Addressing climate change requires systems at the national and local levels that sustainably carry out capacity-building functions for generations to come. Discussions at a United Nations Framework Convention on Climate Change (UNFCCC) workshop on capacity-building also highlighted that a shift from short-term single projects to investments in sustainable, long-term, capacity-building activities is needed (UNFCCC 2015). Investments in capacity-building can "yield rich dividends by enhancing the effectiveness of climate action, which has global benefit, both for mitigation and adaptation actions" (Khan et al. 2016, 16).

Mindful of the wider political and economic context, we note that budgets for climate change programs are likely to change given President Trump's stance on the issue. A large donor, the United States' future policies could potentially increase the burden on other developed countries committed to providing climate finance. In light of this, it is even more important to make the most of climate finance and assistance dedicated to capacity-building.

Global Development and Climate Goals

The importance of capacity-building as a means of implementing policies has been highlighted in both global climate and development goals.

Sustainable Development Goal (SDG) 17 — revitalize the global partnership for sustainable development — includes specific targets on capacity-building. Target 17.8 includes a capacity-building mechanism for technology, science and innovation for least developed countries. Target 17.9 calls on strengthening "support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the sustainable development goals, including through North-South, South-South and triangular cooperation" (United Nations 2015).

The 2005 Paris Declaration on Aid Effectiveness and 2008 Accra Agenda for Action both stress that aid allocated to developing capacities needs to incorporate the existing institutions and systems in partner countries. Capacity has to sustain over time to enable partner countries to develop, implement and account for their policies.

The inclusion of capacity-building under the UNFCCC started in 2001 at the 7th Conference of Parties (COP-7). The Marrakech Accords established a framework of guiding principles and 15 priority areas[1] where capacity-building efforts need to be focused. The Durban Forum on Capacity-Building established at COP-17 in 2011 created a multi-stakeholder dialogue to share information on best practices, improve monitoring, review the support provided for capacity-building and review the status of implementation of activities under the UNFCCC.

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1 The 15 priority areas for capacity building in developing countries include: institutional capacity building; enhancement and/or creation of an enabling environment; national communications, national climate change programs, greenhouse gas inventories, emission database management and systems; vulnerability and adaptation assessment; capacity building for implementation of adaptation measures; assessment for implementation of mitigation options; research and systematic observation, including meteorological, hydrological and climatological services; development and transfer of technology; improved decision making; clean development mechanism; needs arising out of the implementation of Article 4, paragraphs 8 and 9, of the UNFCCC; and education, training and public awareness, and information and networking, including the establishment of databases.

The Paris Agreement (2015) institutionalized capacity-building in three articles: Article 11, The Paris Committee on Capacity-Building (PCCB); Article 12, which calls for enhanced education, training and awareness on climate change; and Article 13, The Capacity-Building Initiative on Transparency (Khan et al. 2016; UNFCCC 2001; 2011; 2015).

As a signatory to the Paris Agreement and the SDGs, Canada has committed to working with developing countries to enhance their ability to implement adaptation and mitigation strategies. Indeed, Canada has already shown commitment to supporting international capacity-building initiatives in climate-disrupted countries; for example, contributing CND$5 million to the Capacity-Building Initiative on Transparency (Environment and Climate Change Canada 2016).

Shortcomings in the Traditional Approach to Capacity-Building

Although the importance of capacity-building has received continued recognition, with numerous projects happening all over the world, there exists minimal evidence that the projects have produced long-term impacts on the wider system in vulnerable countries. The traditional approach to capacity-building is largely centred on flying in private consultants from the Global North to deliver workshops and trainings. Consultants are often not familiar with the local language, culture or context, or the capacity levels in the partner country. Usually the measure of success for such initiatives is the submission of reports, rather than ensuring that capacity-building systems are continuous and capacity suppliers are retained. With such interventions, a significant portion of the funding leaves with the consultants as they exist the recipient country (Khan et al. 2016). There are no mechanisms left behind in the country that ensure capacity-building sustains and endures over time (Huq and Nasir 2016; Nakhooda 2015).

There is a growing consensus among climate change and development experts that the traditional approach to capacity-building is ineffective and inadequate, and that gaps exist if current efforts are to realize the goals of the Paris Agreement and SDGs (Keijzer and Janus 2014; Khan et al. 2016; Nakhooda 2015; OECD 2006; UNFCCC 2015).

Climate change and development experts have found fault in both the partner countries receiving aid, as well as the donor countries providing aid (Keijzer and Janus 2014; Wood et al. 2011). As a result of the short-term, ad hoc and project-based approach of current capacity-building efforts, donors have lagged in terms of demonstrating mutual accountability and transparency (Gulrajani 2014). Recipient countries have often not demonstrated sufficient ownership in development projects (Chen and He 2013), and because of a lack of cooperation between the two, there is a continuation of inefficient and ineffective capacity-building interventions.

A study of capacity-building initiatives under the UNFCCC has revealed that despite the numerous initiatives, finance dedicated to capacity-building globally is very modest (Nakhooda 2015). Capacity-building is yet to be defined under the UNFCCC, which allows parties to interpret it as they see fit and design initiatives that suit their particular development assistance. Furthermore, capacity-building activities are usually a component of projects, making it difficult to disaggregate the funding directed to capacity-building. Although there is literature on capacity-building from agency reports, scientific assessments of the issue in the climate change context is scarce (Khan et al. 2016).

The challenges of climate-disrupted communities are complex and long term in nature. It is ineffective and inadequate to rely only on "quick fixes" and "bureaucratically engineered solutions" (Wood et al. 2011, xiv). As such, to properly address these challenges, a more appropriate approach to capacity-building is required.

The Role of Non-state Actors in Capacity-Building

Non-state actors such as think tanks and researchers have drawn attention to the inadequacies of the current capacity-building regime and offer potential solutions to strengthen the regime. The European Capacity Building Initiative posits that the PCCB holds potential to build a long-term, programmatic approach to capacity building that can change the current paradigm of capacity building under the UNFCCC (Khan et al. 2016). The International Centre for Climate Change and Development (ICCCAD) posits that a continuous mechanism of capacity building that endures long after donors and consultants have completed their commitments can be created through

universities (Hoffmeister, Averill and Huq 2015). It argues that enhancing capacities in partner countries need to be considered as investments and not project expenditures. The World Resources Institute argues that to strengthen capacity-building in the post-2020 regime, coordination, monitoring and effectiveness need to be improved through an institutional model at the global level (Dagnet, Northrop and Tirpak 2015).

COP-22, held in 2016 in Marrakech, brought together academics working on climate change to establish a South-South consortium of universities called the Least Developed Countries Universities Consortium for Climate Change (ICCCAD n.d.).

Among governments, a submission from Canada, Australia, New Zealand and Japan to the UNFCCC Secretariat on the sixth meeting of the Durban Platform for Capacity-Building highlights the need to engage non-party stakeholders in the implementation of nationally determined contributions (UNFCCC 2017). The executive members of the PCCB, comprised of developing and developed states, convened in May 2017 to discuss modalities for strengthening collaboration between stakeholders to support capacity-building activities to implement national climate plans. The PCCB also discussed the solutions and best practices for capacity-building needed to realize the goals of the national climate plans. These discussions centred around establishing specific task forces of experts and decision makers, creating partnerships and networks within the PCCB. The executive committee has a two-year work plan and reports back to the COP in 2018 (ibid.).

New Collaborations

Canada has good relations with partner countries across the developing world. Given the importance of non-state actors in implementing the Paris Agreement, forging relationships with non-state actors will unlock the investment potential of climate finance dedicated to capacity-building. Capacity-building efforts should reach non-state actors such as educational institutions, training centres, community organizations, the private sector and non-governmental organizations (NGOs). Canada's support to the NDC Partnership is a step in the right direction. The Global Climate Change Alliance funded by the European Union offers an example of a sustainable, programmatic approach to capacity-building. The Alliance

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offers technical and financial assistance to the world's most climate vulnerable countries and an initiative like this offers lessons for Canada.

Building Long-term Capacity in Partner Countries

Given the importance of enhanced capacities in achieving climate and development goals, supporting long-term capacity-building mechanisms would further position Canada as a leader in addressing climate change. Canada's contribution of CDN$2.65 billion is a laudable commitment. Within that amount, the portion that is yet to be assigned could be a potential resource base for capacity-building mechanisms that lead to long-term, positive returns. Mechanisms that build long-term capacity embody the following:

- Utilizing the expertise, systems, structures and institutions that already exist in developing partner countries to ensure that capacity-building is sustainable, continuous, retained and replenished. The mechanism that delivers the capacity needs to be indigenous, endogenous and continue after consultants have completed their tasks. These mechanisms include national and local institutions such as universities, government training centres, professional networks, associations and local community groups (Hoffmeister 2015; International Institute for Environment and Development 2016; Taschereau and Bolger 2007).

- As outlined in the PCCB and the 2005 Paris Declaration on Aid Effectiveness, capacity-building programs need to be led by partner countries, aligned with national priorities and address the gaps identified by the partner country. Priorities identified need to include the perspectives of women, local communities, marginalized groups and youth.

- Efforts need to bring national, subnational, local stakeholders and institutions together with state and non-state actors in collaboration. Combatting climate change is a whole-of-society approach and capacities need to be developed among relevant stakeholders such as communities, NGOs, community organizations, businesses, researchers, academics, local government and policy makers.

- A focus on the 15 priority areas identified by decision 2 taken at COP-7.

Measuring Long-term Capacity-building Efforts

In designing a long-term approach to climate capacity-building, the first step is to identify the mechanisms or systems in partner countries that build long-term capacity. Consultation with multiple stakeholders — especially women, youth and affected communities from the partner country — will best identify the capacity needs, priorities and mechanisms that build sustainable capacity over time. A qualitative systems approach to monitoring and evaluation is more effective than rigid quantitative indicators, which may not be met in a complex system. Since capacity-building is an "emergent combination of attributes, capabilities and relationships that enables a system to exist, adapt and perform" (Watson 2006, vi), a systems approach helps us understand the interconnectedness and complexities of a capacity-building system. Feedback and learning from practical experience, sharing experiences and lessons with a range of national and local stakeholders, and involving these stakeholders in monitoring activities are all important components of a monitoring program in a new approach to capacity-building. Capacity-building is an iterative process guided by lessons learned, where donors have a facilitative role and recipient countries an implementation role. Learning from these lessons increases the success of any capacity-building initiative.

Policy Recommendations

Canada must take stock of the expertise that exists within the country to effectively make use of the resources and expertise at its disposal. Such expertise includes lessons from the International Development Research Centre's Collaborative Adaptation Research Initiative in Africa and Asia, and existing proficiency in developing capacity-building frameworks such as the Canadian Communities Guidebook for Adaptation to Climate Change. An entity should be created within Global Affairs Canada or a relevant government agency that contains a database of experts, experience and programs related to climate and development, and facilitates and matches the knowledge and expertise between Canada and recipient countries. This would also aid the coordination of capacity-building support for the SDGs.

Canada should utilize the expertise that exists within Canadian universities. Universities, as the oldest capacity-building institutions in the world, hold tremendous potential to generate long-term capabilities in developing countries. Recipient countries could benefit from the vast expertise that exists within Canadian universities through research collaborations; developing climate change curricula for diploma, undergraduate or masters programs; facilitating distance learning and exchange programs. Canada could also consider specific funding for universities to improve their access to information through climate databases and online journals, and assist in setting up laboratories.

Canada should support training academies for civil servants with climate-related course curricula. Training civil servants in related ministries working on climate change such as environment or agriculture often leads to loss of organizational memory, as many employees rotate jobs through branches of the government. Instead, climate-related course curricula should be offered in the training academies for public servants, which all newly recruited government officials are mandated to attend. This ensures that all government officials and future policy makers, including those working in local government, receive the training required to understand climate issues and the system of learning is continuous in the government, instead of project and department based.

Canada should support networks of climate change professionals in vulnerable countries. Networks act as platforms for sharing knowledge, building consensus and legitimacy, leveraging resources, and forming partnerships, all of which lead to the continuous growth of a sector. Networks might include a collective of researchers, students, NGOs, policy makers, project managers and businesses working on climate change who come together to collaborate and tackle a problem in unison. The International Development Research Centre has funded a few regional networks, such as the South Asian Network for Development and Environmental Economics, and there is a benefit to replicating this model for climate change professionals in vulnerable countries.

Canada should provide capacity-building for subnational actors. Subnational and local governments, community organizations and NGOs require capacity to implement projects, take account of the support and finance reaching their communities to ensure the assistance matches their priorities and needs. Similar to Kenya's County Climate

Change Funds, capacity-building efforts could focus on enabling local actors to set their priorities, track climate finance, monitor, provide feedback on how well the funds have benefitted them and ways to improve. Mechanisms to do this include empowering local savings groups, community organizations and local government. Supporting these institutions and stakeholders is an innovative way for Canada to forge new partnerships and directly aid those on the front lines of climate change.

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Groundwater Extinction: The Hidden Global Crisis

Richard Giles and Frederick Varnie

Issue

Groundwater aquifers, the lifeline of global food systems, are being extinguished at alarming rates due to demand for water-intensive food and socio-economic transformation, necessitating coordinated global responses.

Background

Although all elements of life rely on water, human beings are the only organisms driving groundwater aquifers, many of which hold water from the Paleozoic Era, to the point of extinction (Barnosky and Hadly 2015, 138-39). The word "extinction" is repurposed in this brief to stress that groundwater is not merely depleted, despite what the discourse suggests; once aquifer water is used, it is gone, and it can take thousands of years to replenish an aquifer with "new" water. Aquifer extinction is an issue that is not being given adequate attention; as demonstrated in this brief, it requires urgent attention from both Canada and the realm of global governance.

Only 0.5 percent of Earth's water is consumable (Lambooy 2015, 852). Agriculture uses 70 percent of the world's freshwater, leaving 30 percent for all other purposes (Barnosky and Hadly 2015, 144). There are projections that the gap between freshwater supply and demand will be 40 percent by 2030 (Faeth and Sovacool 2014, 2). Three billion people will likely have difficulty securing daily freshwater for necessary needs by 2025 (Barnosky and Hadly 2015, 146-47.) Groundwater aquifers are being extinguished around the world, including in: California; the Kansas High Plains Aquifer, essential for American agriculture; Mexico City; North China; Tamil Nadu; India; and Pakistan.

The World Economic Forum, the United Nations and the World Bank have all recently stated that groundwater depletion is an astounding threat to the world. Human and non-human populations, as well as economic and social systems, are all at risk (Woodruff 2015). The global population is expanding by 80 million people annually, increasing the demand for freshwater by about 64 billion cubic metres a year (Population Institute 2010, 1). In developing countries, water withdrawals are rising more rapidly — by four percent to eight percent a year for the past decade —because of rapid population growth and increasing demand per capita (Hinrichsen and Tacio 2011, 1). Water withdrawals tripled over the last 50 years due to population growth. This rapid growth rate also caused the potential global availability of water to decline from 12,900 cubic metres per capita per year in 1970, to 9,000 cubic metres in 1990, to about 7,000 cubic metres in 2000 (Population Institute 2010, 1). It is projected that by 2025, an estimated 1.8 billion people will live in areas plagued by water scarcity, with two-thirds of the world's population living in water-stressed regions as a result of use, growth and climate change (UN Water, n.d.).

Poor water management is a compounding factor — inadequate water pricing, water allocation laws and property ownership rights cause confusion as to who can drain water, and just how much, creating governance gaps which enable the extinction of aquifers and groundwater. It is estimated that $US26 trillion is needed to create the necessary infrastructure to supply humans with adequate water (*The Economist* 2016).

Agricultural productivity will crash if the water in aquifers is extinguished. The Kansas Plains Aquifer, for example,

will see its productivity halved at current extinction rates (Steward et al. 2013, E3477). This rate will be exacerbated by increasing demand for water-intensive food. The demand for water-intensive food will make addressing groundwater extinction quite difficult. For example, one kilogram of beef requires 15,000 litres of water (*The Economist* 2016); 1 kg of chicken meat requires 4325 litres; 1 kg of pork meat requires 5988 litres; and 1 kg of chocolate requires 17,196 litres (The Guardian 2015). Water waste, when factored in, can almost double the amount of water used to produce intensive foods (Ridoutt et al. 2010, 1714). Technological solutions are very costly and still theoretically difficult to implement; as well, technological innovation is irregular, but biological demand for water is regular. Action on groundwater governance should not be based solely on potential technological solutions.

Global patterns of groundwater depletion and extinction also have important implications for Canada. Canada is fortunate to have enormous resources of freshwater; almost nine percent of the nation's total area is covered with fresh surface water (Compass Resource Management and 4Thought Solutions 2004, 7). Nearly 30 percent of Canada's population (almost 10 million) depends on groundwater to supply its drinking water, and more than 80 percent of the country's rural population relies on groundwater for its entire supply (ibid.). As Bruce Mitchell notes in his book, *Resource and Environmental Management in Canada,* Canada's legislative framework and institutional capacity for groundwater management "have yet to fully mature. The application of the scientific knowledge required for a sustainable management of groundwater remains, with some notable exceptions, under-developed" (cited in Rivera 2015, 628).

According to The Expert Panel on Groundwater, Canada's groundwater is at risk for the following reasons (2009, 16-17): intensification of agricultural demands; contamination by nitrate and pathogens as a result of hydrocarbon and mineral exploitation; threats to aquatic ecosystems and fish due to the low flow of streams that are fed by groundwater during dry periods; and the impact of climate change and its resultant changes in the demands placed on, and availability of, our linked groundwater and surface-water resources.

Analysis

Before thinking globally, Canada should revise its published dietary guidelines to signify which foods are more water-intensive, and what non water-intensive supplements exist, providing scientific yet easy to understand information for food consumers. It is difficult to attain information on how much water is used by different foods, and water usage is generally not common knowledge. In order to generate greater public knowledge of how much water certain foods use, revising the dietary guidelines may be a way of guiding public food choice without disrupting certain social and cultural standards related to food norms. Canada should also consider developing an investment and support plan for promoting agriculture that is non-water- intensive, such as beans and legumes, for which Canada has both import and export markets for. This way, Canada can begin signifying the importance of domestically moving away from foods that make intensive use of groundwater sources. These efforts can also be used, in coordination with Global Affairs Canada (GAC) via research or scenario mapping, to provide global leadership by using domestic innovations to provide a map for global change.

Currently, there is no global legal and regulatory governance framework to ensure and encourage the use of freshwater in an efficient and equitable manner consistent with the social, economic and environmental needs of present and future generations. There is an urgent need for a framework that is coordinated, global in reach, and accessible for all. Groundwater may not cross borders, but the drivers of groundwater extinction, the potential outcomes and the theoretical extinction scenarios are all global; potential mitigation techniques need to be global as a result.

For example, Pakistan is less than 10 years away from being completely water-scarce, but political tensions between Pakistan and India are making it difficult to indicate how climate change and food demand are influencing Pakistan's groundwater extinction (Deutsche Welle 2017). This political tension, and the outcome of groundwater extinction, will have global impacts, as trade and economic flows may be altered, political tensions and spillover could result, and global humanitarian efforts may need to be mobilized in response. It is likely that groundwater extinction will lead to migration crises, as large numbers of people will need to find water to hydrate

and grow crops; water-secure countries will become desired destinations for migrants who are in desperate need of water. Current changes in the political climate may also make global migration crises more difficult for water-secure countries. Mexico City, for example, is importing tremendous amounts of water because its aquifers are running dry (Watts 2015). It is estimated that at least 10 percent of Mexico City residents could try to migrate north as a result of climate change and water extinction (Kimmelman 2017). With the prospect of a border wall and an increasingly hostile America, many may try to migrate to Canada, thus leading to an increase in pressure on Canadian groundwater sources. It is in Canada's interest to provide resources related to groundwater management and protection through a channel that could alleviate political and sovereignty tensions in order to try to promote water preservation from a distance, as recommended below.

Recommendation: A Global Governance Node for Groundwater

State sovereignty will be an impediment to globally governing groundwater, since groundwater typically does not cross state borders, making intervention difficult to justify. However, change could occur if the nature of the global governance of groundwater changed. It is in the interest of Canada, and other water-secure states, to create a node built with two explicit purposes:

1. To act as a neutral space that opens access to information on groundwater by acting as a clearing house for data related to groundwater, aquifers, and other related issues. This space should be accessible to all actors on a global scale — including individual citizens and domestic interest groups — alongside states, academic and global governance institutions, non-governmental organizations and other groups.

2. To act with foresight by conducting research and mapping extinction scenarios, current groundwater availability, and potential changes to human and non-human systems, developing its own research and coordinating with other realms of research.

The node's ultimate functionality would be determined through review by the actors involved in its creation, with the aim of being a fluid entity. If the actors involved

determine that what is primarily needed is information access, in theory, the node would transform into an information hub, but without necessarily needing a specific organizational status or structure. This would be similar to Mission 4636, which provided easily accessible information to Haitians during the 2010 earthquake (Zolli and Healy, 2012, p. 172-190). However, if actors realize, over time, that more is needed—say, in terms of theoretical or ideological interest groups – the node could be guided to take on more of an institutional role. Given that there has been so little work on groundwater specifically, it is important to ensure fluid, transformational possibilities over time. The creation of a static organization from the very start could be seen as yet more establishment of global power imbalances and overreach. Seeing that groundwater poses fundamentally complex challenges to global governance entities, stemming from groundwater crossing borders or being shared by numerous countries, innovative approaches are needed which do not merely repeat the same processes seen in other global governance efforts.

There is a great deal of information on groundwater that is ill-coordinated and difficult for those outside of research institutions to access. Even with access, there has been little coordination between groundwater researchers and other realms of work; despite the focus on the food-water-energy nexus, for example, there seems to be little attention paid to groundwater as its own entity that could drive extinction of the entire system. Opening access to information for all is essential; looking again at Pakistan, current political tensions could result in inaction, but opening information that can be accessed by citizens in Pakistan could provide a way of ensuring open, accessible information that does not require the violation of state sovereignty. This node, if successful, would theoretically allow actors all over the world to access resources and allow them to contribute their own, opening the very diverse (but little coordinated) knowledge pool to all who will be affected by groundwater extinction.

Canada would make an ideal "testing" innovator by developing a node for Canada before taking it global. Canada has its own forms of sovereignty issues between federal and provincial entities, so this type of node can be given a test run in Canada before being taken globally, using the federal/provincial relationship to see how the node might affect education changes, public awareness and generally how the node can work. To support this node, Canada should: 1) revise its language on groundwater

from "depletion" to "extinction" in order to signify that groundwater has a hard limit; 2) revise its dietary guidelines, as mentioned previously, to reflect how many aquifers could be extinguished in the process of food production; and 3) develop an investment and support plan for non-water-intensive agriculture. These initiatives can all be scaled up, along with the node, to be globally functional in the future.

Conclusion

The extinction of groundwater aquifers cannot remain an area of policy neglect. Governing groundwater usage is a daunting and uncomfortable topic, as it requires a hardening of language, potential conversations regarding changes to dietary patterns and consumption habits, and looking for governance innovations to go around issues of state sovereignty. However, this is an issue that will have numerous global impacts, and Canada must be prepared to deal not only with its own water issues, but with the effects of groundwater governance, migration and extinction crises around the globe. In order to protect its own water, Canada should consider looking for innovative governance mechanisms to contribute to the better global governance of groundwater, especially in light of political shocks — such as the isolationist nationalism of US President Donald Trump — which could render efforts more difficult. There are many unknowns, such as how exactly groundwater extinction will play out on a global scale, but it is clear that there is a need for action.

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Health and Development

A Strategic Vision for Canadian Leadership in Global Health

Anne Marie Arko and Trina Loken

Acronyms

ACF   Action Contre La Faim International

COIA   Commission on Information and Accountability
          for Women's and Children's Health

CRS   Creditor Reporting System

G7   Group of Seven

IFPRI   International Food Policy Research Institute

N4G   Nutrition for Growth

ODA   Official Development Assistance

OECD   Organisation for Economic Co-operation and
          Development

SDG   Sustainable Development Goal

SRHR   Sexual and Reproductive Health Rights

WASH   water, sanitation and hygiene

Issue

Progress made thus far by Canada and the international community to advance global nutritional health is increasingly at risk due to climate change, with current research anticipating disproportionate effects on women and children. Canada should adopt a strategic vision for its leadership in global health that reflects this reality.

Background

Health is the foundation for human prosperity from which economic and social development stems (World Health Assembly 2006; UN General Assembly 1948; 1966). This is straight-forward: if humans are not healthy, they are not able to grow, learn and build to their full potential (World Bank 2006; 2016; 2017).

Research points to the value of health interventions that generate systemic results. Primary preventative measures that address disease risk factors directly are generally less expensive and can be applied more pervasively throughout a system than downstream health technologies or interventions that address disease symptoms. And while there are merits to wholescale healthcare system development or reform, such measures are typically expensive and can be subject to varying degrees of political opposition. In addition, too much intervention could result in healthcare systems that are culturally or geographically inappropriate, making them non-operational without sufficient internal funding allocation or foreign aid.

Leveraging one of the most basic building blocks of health — nutrition — serves as a strategic foothold for advancing Canada's other international development priorities, specifically related to empowering women and girls and taking action on climate change. Currently, 793 million people are undernourished (UN Sustainable Development Knowledge Platform 2017). By preserving nutrition as a mainstay of Canada's global health leadership strategy, Canada can effectuate the most change with its finite international development assistance dollars.

With the current government committed to evidence- and science-backed policy, now is the time to adjust Canada's existing nutritional health leadership strategy to build in resilience to climate change. Already, the effects of climate change on nutrition are felt worldwide, particularly by vulnerable populations, resulting in premature deaths and contributions to the global burden of disease (Action Contre La Faim International [ACF] 2014; Costello et al. 2009). Negative impacts are felt from agricultural production to food preparation, manifesting in lower crop yields, lower nutritional quality of some crops and increases in foodborne disease (ACF 2014). As a result of climate change, it is projected that an additional 24 million children will by malnourished by 2050 (Parry et al. 2009). Considering current and forthcoming environmental trends, Canada's strategy must keep pace.

Fortunately, Canada's history of supporting nutrition initiatives has generated a comparative advantage in this area, positioning Canada as a prospective leader to securing the 2030 Agenda for Sustainable Development, in particular regarding Sustainable Development Goal (SDG) 2 on ending hunger and improving food security, and SDG 3 on good health and well-being. Working toward SDGs 2 and 3 will also benefit SDG 5 on gender equality and SDG 8 on economic growth, among others.

Important Developments

Canada's 2010–2015 Priorities[1]

The Canadian government has supported global health initiatives in the context of social and economic development and has positioned itself as a leader in the field of nutrition since at least 2010. Through its official development assistance (ODA) channels, Canada has become one of the world's largest donors to basic nutrition programs (Organisation of Economic Co-operation and Development [OECD] 2016). Canada is the second-largest Group of Seven (G7) donor for nutrition on a dollar per dollar basis, and surpasses G7 nutrition funding in some cases by tenfold in terms of nutrition allocation as a percentage of health ODA (ibid.). The Bill and Melinda Gates Foundation (n.d.) reports that "nutrition has

been a neglected area of global health and development, accounting for less than 1 percent of global foreign aid." In this context, Canada's contributions are indispensable.

Following the 2010 announcement of the Muskoka Initiative for maternal, newborn and child health, basic nutrition has been an important mainstay within Canada's aid commitments (Proulx, Ruckert and Labonté 2016). Immediately after the Muskoka Initiative was announced, Canada played a leadership role setting up the Commission on Information and Accountability for Women's and Children's Health (COIA), which was intended to play "a key role in setting an ambitious but realistic accountability framework" for funding in this area (Bhushan 2014). However, the COIA was short-lived, with its second and last meeting held in May 2011 (World Health Organization, n.d.).

According to data available from the OECD's CRS, Canada focused 26 percent of its total health ODA on basic nutrition from 2010 to 2015 — this area received more Canadian funding than any other health area (OECD 2016). In 2015, the most recent year of which the OECD's CRS data is available, Canada committed US$177 million to basic nutrition projects (ibid.).

Canada's Post-2015 Priorities

Currently Canada's global health funding priorities post-2015 appear to be scattered, which indicates a need for a more concise and targeted strategic vision. In September 2016, Prime Minister Justin Trudeau announced that Canada would contribute CDN$804 million to the Global Fund to Fight AIDS, Tuberculosis, and Malaria from 2017 to 2019 (Government of Canada 2017). In March 2017, Minister Marie-Claude Bibeau announced that Canada would be allocating CDN$650 million over the next three years toward sexual and reproductive health and rights (SRHR) worldwide (Global Affairs Canada 2017) — a long-awaited announcement since commitments under Muskoka did not cover abortions and family planning (Proulx, Ruckert and Labonté 2016; Prasad and Kumar 2016).

Global Affairs Canada's 2016 International Assistance Review provided an opportunity for civil society to voice input on Canada's international development priorities. From the associated discussion paper (Global Affairs Canada 2016) and the subsequent online report, "What We Heard" (Government of Canada 2016), it is clear

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1   The statistics in this section were arrived at through author calculations based on raw data downloaded between October and November 2016 from the OECD's CRS website: https://stats.oecd.org/Index.aspx?DataSetCode=CRS1.

that the health and rights of women and children were a central theme.

A continued focus on nutrition fits with Canada's priority of women and children because nutrition is integral for allowing women to reap the full benefits of SRHR programs. However, the International Food Policy Research Institute (IFPRI) reports that global progress to reduce micronutrient deficiencies such as anemia in women of reproductive age is stagnant, while fewer than two percent of reporting countries are on track to meet global anemia-reduction targets by 2030 (IFPRI 2015; Ostling and Grills 2017). In fact, one billion women and girls still lack adequate nutrition (Spicer 2016). Gendered inequities in nutrition "undercut development initiatives before they have a chance to succeed" (Ostling and Grills 2017). Improved nutrition yields higher educational attainment for girls, and greater socio-economic empowerment for women, in addition to increased survival of mothers and newborns (IFPRI 2015; Every Woman Every Child 2015; UN Population Fund 2014; World Bank 2006; 2017).

Given Canada's newest Global Fund and SRHR commitments, it is not yet clear whether nutrition will continue as an essential pillar of Canada's global health leadership strategy. However, good nutrition is essential to advancing all health, women's empowerment and economic development issues, and should be championed as an essential component of Canada's global health strategy.

Nutrition as a Strategic Investment

The Canadian Academy of Health Sciences' 2011 Expert Panel on Canada's Strategic Role in Global Health argued that Canada should be playing a more strategic role to make the best use of its "sufficient resources and capacity to make an important contribution to global health" (Canadian Academy of Health Sciences 2011, ix).

Research has found that women and children are the most impacted by poor nutrition and that while the first 1,000 days of life are important to target, good nutrition should be ensured over the entire lifecycle (IFPRI 2015; Micronutrient Initiative 2013; UN System Standing Committee on Nutrition 2017). There are high returns on investments related to nutrition and women's empowerment (World Bank 2017; Every Woman Every Child 2015). A 2016 report by the World Bank found that every dollar invested in breastfeeding yields a

US$35 return and, similarly, a US$12 return for anemia in women, US$11 for childhood stunting and US$4 for wasting (World Bank 2016; 2017). In sum: "Not only do investments in nutrition make one of the best value-for-money development actions, they also lay the groundwork for the success of investments in other sectors" (World Bank 2016, xxvii).

With high returns for every dollar spent, the international community is calling on countries with existing resources to mobilize, and effectively use, their financial resources (Scaling Up Nutrition 2016; World Bank 2016; 2017). However, in the current global context of rising nationalism, future international funding levels may diminish. Canada, as a stable and globally oriented liberal democracy, is poised to lead the way in promoting resilient action on global health and development. While fighting infectious disease and enhancing the health and rights of women and children are important target areas, as a foundational element to good health, nutrition for all remains a pressing need. Canada has shown a strong aptitude for funding important work on basic nutrition and boasts a clear comparative advantage in this area — one which it should continue to leverage.

Key Players and Partnerships

Canada can further enhance, leverage and expedite its global nutrition agenda by continuing to engage in bilateral cooperation with recipient countries, existing partnerships and seek ways to engage in new fora (World Bank 2016). Canada can create informed policies and programs by using evidence-based research by organizations such as the World Health Organization, the Food and Agriculture Organization and the World Bank, among others. Canadian research-based organizations such as the International Development Research Centre already have important partnerships with local and regional organizations. Engagement with organizations familiar with local and regional contexts can further improve the effectiveness of Canada's nutrition programs due to their on-the-ground advantage and in-field expertise (Every Woman Every Child 2015).

On the implementation side, Nutrition International (formerly the Micronutrient Initiative), based in Ottawa, has successfully found regional partnerships in the areas in which it works. Nutrition International's approach has helped build program capacity for sustainable change, and

has worked to bring significant "low-cost, high-impact nutrition solutions" (Spicer 2015). Canada also supports Scaling Up Nutrition, a movement launched in 2010 that mobilizes global resources toward achieving World Health Assembly and SDG nutrition targets.

While Canada's existing partnerships and memberships have been key to implementing global nutrition goals so far, further opportunities exist. For example, Canada could expand its influence by playing a larger role in the multilateral partnership Nutrition for Growth (N4G). The partnership's vision is to "re-energize political momentum and global focus on nutrition," while addressing the need to foster further transparency and accountability in international funding commitments for nutrition projects (N4G 2016). Building on Canada's track record and experience, Canada could work with N4G's already-willing members to instate a durable transparency and accountability forum to scale-up action on closing global nutritional gaps.

The Global Strategy for Women's, Children's and Adolescents' Health (Every Woman, Every Child 2015) emphasizes the need for cross-sectoral cooperation in meeting common goals. In addition to fostering nutrition and health partnerships, Canada can leverage the most durable and system-wide changes by actively collaborating with relevant groups working on agriculture, water, sanitation and hygiene (WASH), education, gender equity and climate change.

Next Steps

The next step for bringing Canada's global health leadership in line with current global realities is to build the element of climate resilience into existing nutrition programs. This could include proactively responding to the shifting hunger and malnutrition peaks that are induced by changing regional seasonality among other climate change impacts (ACF 2014).

It is no coincidence that "poor, hungry and undernourished people and marginalised groups in developing countries — particularly the women and young children — are typically amongst the most vulnerable social groups to climate-related hazards and climate change" (ACF 2014, 19). Due to the potential cost if not assisted, the poorest and most vulnerable regions need to be given priority and can yield the greatest advancement of internationally set targets (UN News Room 2015). Due to the vicious cycle

of climate hazards, nutritional insecurity and poor adaptive strategies among vulnerable populations (ACF 2014), intervention at this point can leverage the greatest change.

Climate change poses an amplifying effect of existing threats to nutrition and ultimately human health. The preservation of existing funding devoted to nutrition by Canada is essential to closing the foundational access gap on global nutrition and mitigating future global health epidemics. A global effort that complements Canada's action on nutrition would accelerate progress on achieving the goals of the 2030 Agenda under Canadian leadership and could be facilitated by an accountability forum hosted by Canada to garner and secure other states' support. Further, the cross-sectoral engagement of other actors and networks can expedite progress on nutrition and potentially improve the global organizational strategy.

Indicators for Success

Although various simple measures, such as periodic height-for-age and weight-for-height checks of children, could demonstrate the impact of improved nutrition in individuals (IFPRI 2016), the success of large-scale nutrition interventions is ultimately best determined at the population level. National surveys, for example, can not only help to assess levels of continued prevalence of nutrient deficiencies, including in micronutrients, but can also help in discerning less tangible, positive changes in "populations' knowledge, attitudes, and practices" (Gorstein et al. 2007, 15). That said, national surveys are often time and resource-intensive to implement. Efforts could be made to support research and monitoring and evaluation programs that are able to effectively gauge the nuances of success for nutrition interventions, especially given the highly contextual nature of regional cases.

Longer-term indicators of programmatic success — although likely not only attributable to the single causal factor of nutrition — can be measured by an overall decrease in the level of disease, an increase in attendance at local schools, an increase in societal and civic participation of women, and greater household and societal economic well-being (World Bank 2006; 2016; 2017). Reports of progress toward SDGs 2 and 3 and their respective targets of the 2030 Agenda would be indicative of the results realized from an enhanced focus on nutrition.

Failure to preserve Canada's current nutrition funding levels and to adjust Canada's global nutrition strategy to respond

to climate change will result in noticeable short-term effects such as the increase in malnutrition of various forms, which will result in a spike in the global burden of communicable disease, non-communicable illness and health insecurity (World Bank 2006; 2016; 2017). In the medium term, failure to achieve these goals will result in the stagnation, followed by sharp decline, of the survival of mothers, infants and children. Economic growth will undoubtedly be impacted as the able-bodied and able-minded population decreases (World Bank 2006). Nutritional security will be further exacerbated as "competition over increasingly scarce resources" increases, as will conflict and migration (ACF 2014, 16).

Upcoming Key Decision Points

There are several upcoming decision points at which Canada can implement the nutrition-oriented global health strategy described here. Future International Assistance Reviews, conducted by Global Affairs Canada, can embrace the opportunity to explicitly frame basic nutrition funding in light of the impacts of climate change on global food production and availability and the spread of food and waterborne diseases. Additionally, through drafting the 2018 federal budget, Canada can articulate its strategic vision as well as specify its commitment of funding for basic nutrition projects. Subsequent annual federal budgets can act as points of re-evaluation for levels of funding. Canada should engage with other state and non-state actors to coordinate action. Upcoming health, nutrition, agriculture and gender equity global fora will be key times for Canada to assume leadership, gain partners and welcome feedback from relevant stakeholders.

Recommendations

Future development funding should reflect the reality that good nutrition is crucial to the first 1,000 days of life, but that adequate nutrition throughout the lifecycle is essential for stimulating human and economic development. Future funding should continue to recognize the different nutritional needs of males and females.

Canada's 2018 budget should hold the 2015 level of funding — US$177 million — for basic nutrition as a floor for future nutrition ODA. By strategically focusing on geographic regions that are particularly prone to the impacts of climate change on nutritional security, experience widespread poverty and face significant gender-based health

inequalities, Canada's ODA for health projects will be most effectively invested.

Canada should work to increase regional research capacity in recipient countries on climate resilient food systems, sustainable agriculture, and infrastructure development related to food safety and WASH. By simultaneously elevating progress in these interrelated fields, Canadian ODA will be better positioned to leverage systemic improvements to global nutrition.

Canada should foster cross-sectoral consultation and collaboration between groups working on health, climate change, agriculture and food systems, and women's empowerment to accelerate common goals. This approach should actively engage regionally-situated civil society actors such as health practitioners, educators and smallholders in addition to recipient country governments.

Canada should host an accountability and transparency forum to regenerate commitments to global nutritional health. Canada could facilitate this forum in coordination with global partners through N4G to bring SDGs 2 and 3 within reach of achievement.

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Lost in the Conversion Process: The Effects of Currency Volatility on Canada's International HIV and AIDS Funding

Danielle Ayora, Harrison Neill and Kerry Solomon

Issue

Currency volatility impacts both donors and recipients in their ability to effectively respond to the HIV and AIDS epidemic. This is particularly important for countries that lack the capacity to finance their HIV programs domestically. There is a need to mitigate these effects if gains are to be realized and maintained.
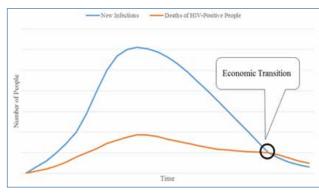
Status of Global HIV and AIDS

Global HIV and AIDS prevalence continues to rise, despite decreasing incidence levels; as such, the total number of people living with the disease is growing (AVERT 2017). In 2015, nearly 37 million people were living with the disease, there were 1.1 million AIDS-related deaths and 2.1 million new infections (United Nations Programme of HIV and AIDS [UNAIDS] 2016a). Although the issue is global, southern and western Africa are disproportionately affected; these regions will be the focus of this brief. According to World Health Organization (WHO) and UNAIDS guidelines, the best practice is to put individuals on treatment as soon as they are identified as being infected; however, this means there are greater costs to combat the disease as the number of people requiring treatment rises.

The idea of an "AIDS transition" was developed by Mead Over (2011) at the Centre of Global Development in Washington, and Figure 1 demonstrates that until the number of new infections (incidence) falls below the number of deaths of HIV-infected people (from whatever cause), the need and costs for treatment will continue to rise. If the lines do not cross, this number will grow indefinitely. This is an important piece in the projections for funding of international assistance.

It has been calculated by UNAIDS that the world needs a total of US$26.2 billion by 2020 and US$23.9 billion by 2030 to successfully combat the global HIV and AIDS epidemic (UNAIDS 2016b). Though the international community has been pushing for greater domestic involvement, the fight against HIV and AIDS is still largely reliant on international assistance, particularly in a number of African countries with high prevalence and limited economic growth. Several other hyper-endemic countries find themselves similarly unable to domestically provide the necessary programs, treatments and healthcare workers for their populations.

Figure 1: AIDS Transition

Source: Whiteside and Zebryk (2016, 3).

Economic Groupings and Currency Baskets in Sub-Saharan Africa

Economically, Sub-Saharan Africa is integrated through three primary regional monetary associations: The South African Customs Union, the Southern African Development Community (SADC) and the Common Monetary Area (CMA). Within the CMA, the currencies for Lesotho, Namibia and Swaziland are pegged to the South African rand and rise and fall as it does in relation to various economic shocks. This can have serious implications for these countries and their ability to finance their own HIV response, especially in times of currency depreciation and economic uncertainty. If the rand plummets, these hyper-endemic countries will face difficulty in financing their own HIV programs.

At the end of 2010, one rand bought US$0.14 (XE. com 2016). At its lowest level, in January 2016, one rand bought less than US$0.06 (ibid.). The implication is that the same amount of money has been worth less each year for members of the CMA purchasing HIV and AIDS medicines or services in US dollars.

The weakening of the value of the rand is demonstrated in Figure 3, which shows how much the rand has depreciated against the US dollar over the past 10 years. This is important because the currencies of the CMA countries are all tied explicitly to the rand. In addition to this, other currencies that are outside of the CMA are still strongly influenced by the fluctuations in the value of the rand, particularly the Botswanan pula, Zambian and Malawi kwacha, and the Mozambican meticais. As with countries within the CMA, fluctuations in the rand will have a significant impact on the value of these currencies as a result of strong regional integration (Wang et al. 2007).

The reason that these fluctuations are such a great concern is that the response to the HIV epidemic requires considerable and consistent funding for the purchase of drugs and other medical resources, which are primarily denominated in US dollars. In southern and western Africa, where the HIV epidemic is most pronounced, there is a severe lack of available pharmaceuticals produced by domestic companies. As of 2016, there was only one local antiretroviral therapy (ART) drug manufacturer in South Africa, Aspen Pharmacare, which supplies just 20 percent of drugs to the region (Whiteside and Zebryk 2016). The remainder of medication comes from outside

Africa. With growing emphasis on increasing domestic financing, currency depreciation will continue to cause the purchasing power of governments in recipient countries to drop, which will, in turn, limit their ability to adequately fund their response. It is the daily treatment that is keeping HIV incidence down and without the continued supply of ART to those in need, these gains will be lost.

Donor Funding

Canada, an active HIV and AIDS donor, faces the same issue of currency volatility, which impacts the value of Canadian donations provided to recipient countries through the international financing organization, the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund). Although not as dramatic a decline as the rand, the Canadian dollar has experienced a significant decline against the US dollar (Canadian FOREX 2017).

Since a brief recovery after the 2008 global financial crisis, the Canadian dollar has experienced continued depreciation against the US dollar. This is important as the majority of Canadian funding to the HIV epidemic is done via the Global Fund. The Global Fund accepts international donations and converts them into US dollars prior to distributing the capital to affected countries.

As its seventh-largest donor, Canada has committed CND$2.88 billion to this organization since its inception in 2002. In September 2016, Canada pledged CND$785 million to the Global Fund, a 20 percent increase over Canada's previous contribution (Global Fund 2016). Based on this, Canadian funds will help save an additional eight million lives and stop an additional 300 million new infections by 2019; however, due to the depreciating Canadian dollar, these targets may be overly optimistic and unrealistic. In fact, the falling Canadian dollar relative to the US dollar translates to a loss of over CND$188 million in effective donations.

The Swedish krona is another currency that has experienced a stark decline against the US dollar. To counteract the negative implications this has on development assistance, Sweden maintains a policy where if their currency depreciates, they will make up the difference upon the recipient country's request. This policy is a method Sweden uses to limit the negative impact of currency volatility and will be discussed further in the recommendations.

Options for Considerations

Resource Matching

Resource matching is a viable policy option to help alleviate the adverse effects of currency volatility on international funding for HIV and AIDS treatment. Resource matching means that in the event of currency depreciation, whatever the loss at the end of the replenishment period, it will be matched in either pharmaceuticals, drugs or equipment for the recipient country. This would need to be done in accordance with the specific needs and preferences of the recipient countries. This option also provides an opportunity to provide Canadian-produced resources that would also create a benefit for the Canadian economy.

Currency Matching

Similar to resource matching, currency matching is another possible option to consider. In this case, the amount of the initial pledge that is lost as a result of depreciation would be matched by additional funding. Sweden currently has a policy in place where their pledged commitment comes with this guarantee, so if their currency depreciates, they promise to make up the difference upon the recipient country's request (Swedish National Audit Office 2014). For example, if Canada commits CND$785 million to the Global Fund in 2016, but the absolute value to the organization is less due to currency depreciation, then the difference would be matched by additional Canadian dollars. In order for this method to be implemented effectively, Global Affairs Canada (GAC) would have to determine where the additional funds would be obtained.

Currency Hedging

Currency hedging is the third recommendation that GAC could consider. Because the Canadian dollar fluctuates against other currencies, hedging would mean that both the donor and the recipient would know the exact value of the donation in advance. A report issued by the Swedish National Audit Office argued that in terms of development aid, a lack of hedging leads to poor forecasts and less transparency (ibid.). In Sweden, development aid is typically dispersed over a five-year period and is often dispersed in US dollars. Within this period, the krona fluctuates against the US dollar; instead of hedging, the government currently uses a forecast rate to determine Sweden's commitment for the entire five-year period (ibid..

It was found that this method is rather ineffective due to currency volatility; instead, currency hedging would be a more efficient policy. Currency hedging could help GAC mitigate the issues associated with negative exchange rate returns; however, hedging is rather costly and has been proven to be relatively ineffective over the long term. GAC will also have to determine which department has the authority to hedge foreign currency, most likely under the discretion of the Ministry of Finance.

Recommendation

Based on the above options, GAC should consider resource matching as a viable solution to addressing the donation deficiencies that may arise in the event of the Canadian dollar depreciation in relation to the US dollar. By implementing resource matching as a policy, those in need can continue to receive ART, while at the same time benefiting the Canadian economy. This is a prudent policy as it allows Canada to ensure effective aid contributions. Further, this recommendation can be applied to other areas of Canada's international development assistance.

Conclusion

The international community has made substantial commitments to funding levels that must remain high in order to maintain gains achieved over recent decades. It is crucial that GAC takes into consideration the ability of developing countries to finance their own response to the HIV and AIDS epidemic. Since international contributions to HIV are generally expressed in US dollars, as the US dollar continues to appreciate, the value of donor pledges in other currencies may flat-line or even decrease. Increasing the amount of domestic funding in recipient, high-burden countries may not be feasible as economic uncertainty continues to permeate. As a result, it may be too soon for the international community to transition to a system increasingly reliant on domestic contributions to fight the HIV epidemic. Given the current requirement for sustained funding needed to continue the global fight against HIV, it is crucial that Canada ensures its contributions are effective by considering resource matching as a policy option to address the problem of currency volatility in international assistance.

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An Urban Perspective on Food Security in the Global South: The Missing Link Between Rural Farmers and Urban Consumers

Michael Chong, Lucy Hinton, Jeremy Wagner and Amy Zavitz

Issue

The challenges posed by food insecurity in developing countries are changing as a result of rapid urbanization and the globalization of food supply chains. By broadening current international development priorities to include urban food security, Global Affairs Canada (GAC) can join global policy circles in addressing changing food security needs while simultaneously strengthening current rural food production, value chains and agri-food enterprise initiatives.

Background

The world is rapidly urbanizing. Projections from the World Bank show another 2.5 billion people will live in urban settings by 2050, over 90 percent in the Global South (UN Department of Economic and Social Affairs [DESA] 2014). Although 75 percent of the poor in the Global South currently live in rural areas, poverty is increasingly becoming an urban concern. In recent years, the proportion of "$1 a day" poor has risen from 19 percent to 25 percent in urban areas. However, this standard of measurement does not account for the higher relative cost of urban life, negates the fact that most urban residents must purchase their food and often unable to grow it, and therefore underestimates the true status of poverty in urban areas. The poor are urbanizing at a faster rate than the overall population. Between 1993 and 2002, the absolute number of people living in poverty increased in urban areas by 50 million and decreased in rural areas by 100 million, reflecting a changing node of poverty from rural to urban (Ravallion, Chen and Sangraula 2007).

As the world's rural poor become urban poor, they are faced with a changing set of food security challenges, including increased vulnerability to new forms of malnutrition such as overnutrition, precarious work, and pressures on formal and informal markets and their value chain networks (Frayne et al. 2009). The key to urban food security lies in whether consumers are able to consistently access food, a challenge that is often determined by food price and income (Crush, Frayne and Pendleton 2012). The strong link between urban poverty and levels of food insecurity calls for greater attention to this growing need, a need the international community is now acknowledging.

In response to food security challenges and opportunities in an urbanizing world, the Food and Agriculture Organization's (FAO's) Food for Cities initiative focuses on a wide range of food system areas and actors that affect food security in many cities globally (Forster 2011). The initiative recognizes that food security cuts across a variety of issues, such as food production, waste management, price and income. Food for Cities demonstrates that rural food security and urban food security are two sides of the same coin, representing interconnected systems and value chains. Strengthening entire value chains can increase the

complementarity between sides and strengthen the food system overall.

The Committee on World Food Security is currently discussing implications of urbanization on the food system (Committee on World Food Security 2016). The report proposes that, due to the number of net food buyers is increasing, food access should be prioritized relative to production. Urban food security is on the current global agenda, as it is being pursued by the World Bank, Habitat III, the Milan Urban Food Policy Pact, the UN Environment Programme's 10-year Framework of Programmes, the United Cities and Local Governments' Global Agenda, and the Communitas Coalition's work on Integrated Territorial Development.

Increasing food security is one of GAC's international assistance priorities and CND$428 million is allocated toward food security programs for 2016/2017. This initiative seeks to engage with food production and improve the efficiency of agricultural value chains (GAC 2016). GAC is working to improve rural smallholder access to markets but falls short of addressing food systems comprehensively. By including intra-urban food flows, it can address the entire food value chain and increase the likelihood of achieving development targets, while also addressing food insecurity for the growing number of poor urban consumers. GAC has the opportunity to join other global actors in broadening its perspective on food security, or risk neglecting an important component of current programming goals.

Methods

To identify the state of food security in rapidly urbanizing cities around the globe, four household food security surveys conducted by the Hungry Cities Partnership (HCP) have been analyzed. The cities selected for this investigation are Mexico City, Mexico; Kingston, Jamaica; Maputo, Mozambique; and Nairobi, Kenya. Coupled with a literature review of each city, the findings from this investigation have been synthesized to inform the concluding policy recommendations.

Case Study Cities

Mexico City, Mexico

Mexico City — with a population of 21 million in 2016, and 0.9 percent average annual rate of growth projected for 2016 to 2030 — is part of the largest urban agglomeration in North America (UN DESA 2016). Based on 2010 data collected by Mexico's National Institute of Statistics and Geography (Instituto Nacional de Estadística y Geografía 2010), almost half a million people in Mexico City are food insecure; however, Mexico City households are less likely to be food insecure than in the other regions of the country (Magaña-Lemus et al. 2016). According to the HCP survey data, 50.5 percent of households surveyed were food insecure (HCP 2016a).

Obesity and overnutrition are widespread issues in Mexico City; Mexico has an obesity rate of 22.6 percent among men and 31.3 percent among women (World Health Organization 2014). Coupled with undernutrition, this "double burden" of disease costs Mexico US$28.8 billion per year (World Food Programme 2017). Both diet and socio-economic conditions have been identified as potential factors for the increase in obesity rates, with increases in obesity following decreases in traditional and home-cooked diets, increases in sugar-sweetened beverages and increases in the sales of imported processed foods following the signing of the North American Free Trade Agreement (Aceves-Martins et al. 2016). Poverty and food insecurity has also been linked to obesity, with low income households unable to afford healthier diets (Ortiz-Hernandez et al. 2006).

On the retail side, despite the rapid expansion of Wal-Mart and other large supermarket chains, the informal food economy continues to be a significant source of nutritious foods, and are able to offer better prices for their products than supermarkets (Rajagopal 2010). Informal street vendors often source their produce from local, smaller-scale farms that lack the infrastructure and capital required to meet the demands of large supermarket chains (Biles 2006). They are also able to locate themselves in dense urban areas that larger retailers cannot and provide more convenient access to consumers.

Kingston, Jamaica

Jamaica is a small island with insufficient arable land for its growing population, making it a prime exporting target for mostly US food sources. Residents in Kingston say that they cannot afford expensive local food in comparison to the cheap imported alternatives (Timmers 2016). Seventy-four percent of households sampled in HCP surveys were food insecure. Kingston's food system is directly impacted by the proliferation of imported food and modern grocery retailing (HCP 2015).

Euromonitor has reported that modern grocery retailers sell 60.5 percent of food in Jamaica, followed closely by smaller "mom and pop" stores and convenience stores who buy products from wholesalers in Jamaica and have slower turnaround and limited storage. Supermarkets are supplied with mostly US goods, and items such as savoury snacks, processed meats and seafood, ready-made meals, processed fruits and vegetables, and sweets and biscuits are all expected to see considerable growth. Supermarkets, especially centrally located ones, have consistently shown price smoothing (restricting high and low fluctuations) and the highest food prices in the city (Abdulkadri 2014).

Maputo, Mozambique

Maputo is the largest city and capital of Mozambique (Chikanda and Rainmundo 2016). Mozambique is one of the least urbanized countries in southern Africa, yet is urbanizing at a rapid rate along with the rest of the continent. Projections indicate that 50 percent of the population will reside in urban areas by 2020 (Raimundo, Crush and Pendleton 2014).

Roughly 75 percent of residents of Maputo live in informal settlements, or *bairros*, due to a lack of financial resources. Food retailers within *bairros* are mostly street vendors, informal markets and small shops. The city is challenged by high rates of food insecurity, with only 28.5 percent of sampled households identified as food secure (HCP 2014). In Maputo, food is often purchased daily due to unpredictable and insufficient incomes (Raimundo, Crush and Pendleton 2014).

Maputo's food retailing environment is characterized mostly by the use of informal markets and street vendors, where 92 percent of poor, urban households shop daily. Unlike other cities, only 23 percent of households in Maputo use supermarkets, although this is as high as 79 percent in other parts of the region. Small shops are also important, where 77 percent of households in Maputo shop (ibid.).

Deliveries arrive daily in markets with imported food from South Africa and rural areas of Mozambique. South Africa contributes significantly to Maputo's urban food system: fresh fruits, vegetables and processed foods are imported regularly to the informal sector (Ulset 2010). While over 40 percent of imports originate from South Africa, several other states are responsible for imports of foodstuff, including the United States, Malawi, Portugal, China, Thailand and Vietnam (Southern African Development Community 2007).

Nairobi, Kenya

Kenya is the least urbanized of the four countries analyzed, with 25.6 percent of the population living in urban areas. However, this is rapidly changing as the average rate of urbanization is 4.34 percent (Central Intelligence Agency 2015). Considering that 70.8 percent of households surveyed in Nairobi are already food insecure, the issue will only be exacerbated by urbanization (HCP 2016b).

Vegetables sold on the domestic market in Kenya account for 52 percent of the farm production, followed by on-farm consumption (36 percent) and vegetables sold on the export market (12 percent) (van der Lans et al. 2012). Domestic value chains are characterized by inefficiencies that create roles for intermediaries who drive up transaction costs. Price inflation poses concerns on either end of the food value chain; it compromises the economic viability of domestic procurement from rural smallholder farmers that rely on access to informal markets and increases the amount vulnerable urban consumers must pay for domestic food products (FAO 2014; Nyoro, Ayieko and Muyanga 2007; van der Lans et al. 2012).

The informal intra-urban value chain contributes the majority of overall retail price for vegetables in Nairobi, as is the case for other east African cities (United States Agency for International 2013). For example, as much as 50 percent of the retail price of red onions is accumulated between city wholesales and final retailers (see Figure 1). This is a result of lax coordination between actors and inefficiencies in institutional structures, creating opportunities for collusion and other rent-seeking activities (ibid.). Price inflation is only further exacerbated in the city by the lack of storage in wholesale markets, product spoilage and congestion in market spaces ill-equipped to manage the volume of food and people moving through them.

Supermarkets are also proliferating within the city and the kind of power their value chains command over the domestic food system is remarkable. Regardless of whether this will lead to a "revolution" in food retail (Neven and Reardon 2004), supermarkets are reducing their reliance on brokers, who source much of their stocks from smallholder producers. As a result, rural farmers are at risk of being outcompeted by increasingly formalized procurement networks, often sourcing food products from larger agri-food enterprise and out of country.
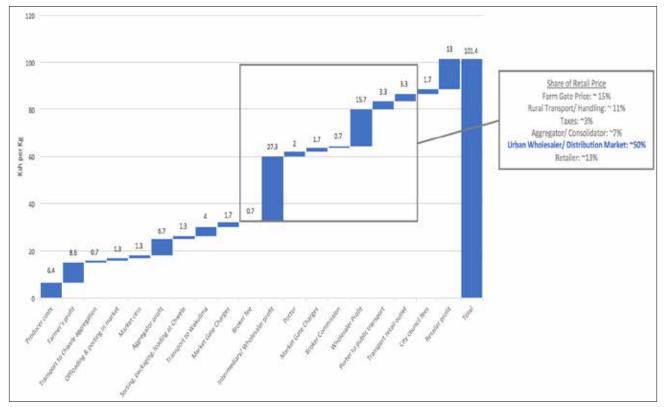
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Figure 1: Nairobi Onion Value Chain Costs

Source: USAID (2013).

Supermarkets have attempted to expand their participation in horticultural markets, but their market share in Nairobi remains low (four percent of fresh produce) (van der Lans et al. 2012).

Challenges and Opportunities in Informal Urban Food Value Chains

All case study cities are struggling to meet their food security requirements. In Kingston and Mexico City, food imports sold in supermarket outlets are encouraging diets to shift toward unhealthy processed foods. Particularly in Mexico City, this is leading to an overnutrition and obesity crisis. Food imports and modern food retailing outlets are growing in Maputo and Nairobi as well, albeit to a lesser extent. If the bridge between domestic rural production and supermarket retailing is not formally established, increasing competition between retailers runs the risk of excluding the most vulnerable stakeholders in Mozambique's and Kenya's food systems. Emerging supermarket economies will look elsewhere if informal

value chains continue to drive up costs through inefficient procurement and the increasing number of transactions. At the same time, informal markets remain significant sources of food, especially to urban poor, and urban food system analyses in developing contexts should look beyond the "supermarket revolution myopia" (Abrahams 2009). Supporting the resilience and efficiency of food value chains in traditional informal food systems remains central to reducing food product pricing for the urban poor and increasing income for rural smallholder farmers. In the case of Nairobi, the intra-urban value chain is especially concerning because of how it affects price inflation of domestic food products.

The development of an efficient and effective food procurement system is a prerequisite for fostering market-oriented contribution to income generation and poverty reduction among actors across entire food systems. If poverty reduction and development from the bottom are priorities, then policy should be directed toward supporting rural farming communities' efforts to efficiently

access all market opportunities, both formal and informal, because it reduces food product pricing. In line with GAC's international development priorities, engaging with intra-urban food value chains is a cost-effective opportunity to increase smallholder access to markets while simultaneously reducing food product pricing for consumers — thereby increasing urban food security.

Policy Recommendations for GAC

GAC should reorient their actions on food security in the Global South to consider the urban food consumer. Since it is currently working with value chains in rural areas, we recommend that this view is extended into urban areas. Specifically, GAC should join global and multilateral actors in prioritizing an urban food security agenda by engaging in and strengthening intra-urban value chains. This will have the dual result of lowering prices and increasing access for urban consumers, and ensuring rural farmers have reliable access to urban markets. To elucidate this scenario, we suggest that Canada adopt one overarching and two secondary recommendations:

GAC should prioritize intra-urban stages of informal food value chains and increase the efficiency and effectiveness of their supply to urban consumers. There is ample guidance material available from the FAO and other multilateral organizations on how development partners and private sector actors can support this initiative. Based on this guidance material, possible entry points where GAC could become involved in intra-urban food value chain development in developing contexts include the following:

- **Supporting urban wholesale infrastructure development** to enhance the competitiveness of domestic food product distribution within cities. Proper wholesaling infrastructure (food terminals, proper storage and refrigeration facilities) can support the efficient procurement of current and future quantities of domestic food products and reduce food waste and food product pricing.

- **Providing technical assistance in intra-urban food transportation**, thereby further reducing food product pricing by removing the role of intermediaries and increasing the efficiency of distribution between urban wholesale markets and retailing.

There is a window of opportunity for GAC to situate itself as a global leader in addressing contemporary food insecurity. By broadening current international assistance priorities to include intra-urban food value chains, it can address emerging food security needs in urban centres while simultaneously strengthening current rural food production, value chains and agri-food enterprise initiatives. Enhancing the capacity for rural food producers to thrive can also promote urban food security insofar as all post-harvest drivers of food insecurity are recognized as priorities. This is an opportunity to increase the efficiency of current programming while concurrently addressing the growing food security needs of vulnerable urban populations. It is clear that the face of food insecurity is changing, and Canada's priorities need to change with it.

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Mass Movements of People

Regulating Recruitment in the Interest of Women Migrant Workers' Rights: Gender Mainstreaming Recruitment into Migration Governance

Emma Fingler and Stephanie Kowal

Issue

The neo-liberal framework of the global economy has produced norms of human rights abuse throughout recruitment agencies within international labour migration regimes, which represent the main source of governance gaps that perpetuate gender-based forms of exploitation experienced by migrant women.

Introduction

Arab states of the Persian Gulf have come to represent some of the most sought-after and competitive labour markets in the world (Agunias 2012). Rapid neo-liberal development and the accumulation of wealth derived from the oil resources of Gulf Cooperation Countries (GCC) have created conditions where expanding private and public sectors have become dependent on cheap, flexible and low-skilled foreign workers to meet the high demand for labour throughout the region (Shah 2012). There are over 243 million migrant workers worldwide, half of which are women, who represent 75 percent of employment in domestic work (International Labour Organization [ILO] 2015b). For this paper, we have outlined a case study which focuses on women migrant workers from the origin country of Nepal. In the Gulf region, migrant workers who overwhelmingly originate from South Asian countries such as Nepal, account for 95 percent of the workforce employed in construction and domestic work (ILO

2015c). Despite having to perform jobs that are low-wage, dirty and dangerous, labour migrants are attracted to employment in Gulf countries because they can provide wages that are up to four times higher than domestic wages (Malecki and Ewers 2007). However, these jobs come with significant costs to migrants' rights, particularly among lower-skilled women labour migrants who are subjected to systematic exploitation and human rights abuses by employers and recruitment agents. Therefore, there is a need to protect the human rights of migrant women mobilizing from Nepal to noted GCC countries, specifically the United Arab Emirates (UAE) and Qatar, who face a significant range of vulnerabilities.

At the centre of the international labour migration regime lies the largely unregulated recruitment system, where agencies work as liaisons between governments of origin and employers within destination to supply demand for foreign labour (Agunias 2012). Recruitment agencies can propagate vicious cycles of exploitation, as they can solicit costly fees from migrant workers under the pretense of guaranteeing employment, which typically results in debt. The position of recruitment agents in migration regimes requires them to carry out strategic contacts and to sell their services throughout labour migration networks in order to reconcile competing degrees of knowledge and interests, which ultimately amount to practices that will maximize their personal business interests (Kern and Müller-Böker 2015). In many cases, they collude with

employers to pressure workers not to report health and safety or labour rights concerns, often withholding future employment opportunities for workers. Employment relationships for migrant workers are highly precarious, involving employer-tied work permits, which have been described by many as indentured labour relationships (Hennebry, Williams and Walton-Roberts 2016).

Background: Migration and Labour Trends within Nepal and GCC Countries

The process of globalization has led to a new international division of labour where household and personal care services in wealthy, developed countries are increasingly carried out by foreign women from less developed, poorer countries. This has become a growing trend in GCC countries like Qatar, where 55 percent of citizens (men and women), have attained higher education and are entering the high-skilled workforce as a result (Shah 2012). Given the social construction of gender norms, global "care chains" have become an emerging phenomenon. These involve women entering employment resulting in a need to outsource their domestic and care tasks to foreign migrant women (ILO 2015a). A majority of destination countries overlook the multiple burdens and vulnerabilities facing migrant women, or reinforce subordinate roles perceived as "usual" for women. Employment opportunities targeting women are most notably in the unregulated, informal domestic sector comprising of private households, which is reflective of socio-cultural roles that women commonly play in many societies (Omelaniuk 2005). Hence, human rights abuse concerning women migrant workers generates implications regarding legal protections throughout the "invisible" private sphere of society, in addition to the private sector of the global economy where many recruitment agents operate.

Overall, the influx of labour migrants throughout the GCC seems to have initiated a "race to the bottom" in terms of labour regulations, generating a need to address mechanisms to ensure social and economic justice for non-citizens and migrants alike (Babar 2014). With limited coordination, oversight and bilateral negotiations between labour-sending and -receiving countries, there is concern regarding gaps in global governance mechanisms. Once a migrant enters the labour market, they become the target of an imbalance of power and exploitation that is carried throughout the entire migration experience. Therefore, recruitment agencies must

be targeted in the reform of labour migration regimes, as they embody the entry point for labour governance gaps and all subsequent human rights violations that occur throughout the migrant's journey. This is critical since recruitment agencies act as gatekeepers in terms of directing dialogue between the many stakeholders (ranging from government officials to private employers) in sending and receiving countries. Consequently, they have the ability to facilitate the construction of new social and legal norms across national and local spheres of governance (Kern and Müller-Böker 2015).

Human Rights Implications Concerning Gender and Migrant Labour

While millions of women from the developing world seek labour migration opportunities as a means of gaining socio-economic independence and empowerment, feminist ideologies explain that inferior social relations account for the detrimental treatment of women in the labour force, as they are seen to be cheap, docile and uneducated, which increases the vulnerability of migrant women (Moghadam 2015). Consequently, women migrant workers are subjected to many forms of abuse including verbal and sexual abuse, physical and mental fatigue, and physical violence at the hands of their employers. While such abuse is the most frequent cause of resignation of employment, there are social stigmas attached to such crimes. Thus, employees often fail to report them due to psychological manipulation and financial pressure to remain employed (Migrant Forum in Asia 2014). While male labour migrants are also subjected to harsh conditions and exploitive practices, women are susceptible to additional gender-specific forms violence (Moghadam 2015). These stigmas and discrimination are seen to be especially true in the labour system most common in GCC countries, the Kafala system.

The Kafala system, implemented by GCC countries in the 1950s, requires a migrant worker to be sponsored by a citizen or government agency (Murray 2013). Recruitment agents have become the driving force of the transnational labour market since they manage all the practicalities of the migrant's journey; hence, sponsorships promoted through labour recruitment agencies are the only means for workers to obtain an entry visa and residence permit (ibid.). The sponsor assumes legal and financial responsibility for the migrant worker during a temporary contract period (typically two years) and signs a document from the Ministry of Labour to

that effect (Malit and Naufal 2016). The Kafala system has been criticized because of the many human rights abuses that it perpetuates in respect to the following limitations: no avenues to citizenship are available for workers; a lack of employment stability for migrants; and rigid restrictions to freedom of association and freedom of movement (ibid.).

In migrant-receiving countries, including Qatar and the UAE, the governance of labour migration largely resides under migration law, as opposed to labour laws, leaving migrant workers vulnerable to abuse. Kafala system sponsors often allow migrants' visas to expire, or sell them to other employers in breach of visa conditions; and, consequently, workers find themselves without agency as they come to exist outside the scope of the law (Agunias 2012). Moreover, domestic workers are not covered by labour laws in receiving countries, but rather subjected to laws relating to migration control and security. As such, laws focus on the potential illegality of the migrant's status rather than focusing on the numerous illegal practices conducted by employers or agents of recruitment programs. Thus, women placed in domestic employment are extensively isolated from legal support (Malit and Naufal 2016).

Despite the need to enforce laws to improve intersectional human rights conditions, such protections in the context of labour migration have been difficult to realize, as rights are generally respected on a cost-benefit basis pertaining to the social, economic and political climate at stake (Ruhs 2012). Respecting human rights can generate restrictions throughout sectors of the economy that are experiencing labour shortages, which is conflicting in GCC countries given their dependency on migrants to fill dangerous and degrading labour positions. Thus, national interests of economic development have largely overridden incentives to support human rights throughout both formal and informal sectors of the economy (ibid.). Nonetheless, it must be recognized that all states have an inherent duty and responsibility to ensure human rights protections for both citizens and non-citizens, despite notable restrictions and limitations in applying international law.

Status of Nepal as a Labour Exporting Country

Given Nepal's status as a least developed country, labour migration has become a prominent feature of their economy. Nepali citizens are increasingly seeking work abroad in the Middle East and Southeast Asia, given a lack of economic

growth and employment prospects throughout their domestic economy. Nonetheless, the Government of Nepal has played an extremely limited role in the global networks governing labour migration. Nepal is not party to many formal international treaties, conventions or consultative processes that cater specifically to the much-needed enhancement in dialogue between labour-sending and labour-receiving countries. This is especially the case in areas of migrant worker quotas, skills levels and wage negotiation (Nepal Ministry of Labour and Employment 2010). This is problematic as Nepal has become overly dependent on foreign labour recruitment, with remittances from foreign labour accounting for 30 percent of Nepal's GDP at an estimated US$4.1 billion in 2014 (Sijapati, Bhattarai and Pathak 2015).

Throughout Nepal, migrant labour recruitment is dominated by private, rather than public recruitment agencies. There is little coordination and a lack of oversight between recruitment stakeholders including the Nepali government, private sector, donor agencies and non-governmental organizations (ibid.). There is a lack of resources to aid labour migrants within Nepal, as the government has allocated less than 0.2 percent of their total budget to the Ministry of Labour and Employment (ibid). Formal recruitment practices are often ignored throughout Nepal, as they are timely, costly and negatively impact the demand for migrant labour from Nepal. Most of the limited recruitment services, pre-departure training and insurance providers are centred in the capital of Kathmandu, which makes access to such services difficult for rural Nepali citizens. Since most recruitment offices are based in Kathmandu, private recruitment agencies are heavily dependent on "sub-agents" or "brokers," most of which are unlicensed due to high licensing costs, to recruit migrants from rural areas (Migrant Forum in Asia 2014). While the Foreign Employment Act of 2007 mandated two-day pre-departure training for all migrant workers within Nepal, a reported 77.3 percent of migrants did not take this training before departure, due to fragmentation of stakeholders (Sijapati, Bhattarai and Pathak 2015). Instead, most purchased illegal certificates from training centres (ibid.).

One of the most prominent exploitative features of labour recruitment systems are recruitment fees. Recruitment fee structures vary according to the origin/destination countries in question and the type of employment undertaken (Migrant Forum in Asia 2014). In general, the Gulf region demands recruitment fees costing between US$1,000 to $3,000, despite provisions of Qatari law forbidding migrant workers from paying a placement fee (Sijapati, Bhattarai and Pathak

2015). It has been found that recruitment fees can account for 62 percent of migrant workers anticipated wages, thus limiting their ability to productively invest their earnings due to the likelihood they will need to repay debts to recruitment agents (Migrant Forum in Asia 2014). Borrowing money from usurious money lenders is common, so there are often links between the sub-agents who recruit migrants at the village level and the money lenders who also profit from labour migration. In addition to extremely high interest rates charged by lenders, migrant workers are often subject to threats and physical violence in the recovery of these loans. Women are especially vulnerable to false promises and conflicting information at the hands of recruitment agents, given that they have lower literacy rates than men, meaning they are more likely to be conned into despotic contracts (ibid.). Recruiters are often politically influential and, in some cases, operate in collusion with government officials of either sending or receiving countries. Thus, recruiters embody substantial influence over labour and migration policy, as many have better access to government officials than civil society organizations and trade unions that advocate for the rights of migrant workers (ibid.).

Governance Mechanisms and Policy Strategies in the Gulf Region

Both the UAE and Qatar have recently taken steps to evolve labour migration governance mechanisms in consideration of international political pressures; however, many governance gaps continue to persist. At the international and regional level, the UAE has ratified nine major ILO Conventions and two Arab Labour Organization Conventions. Locally, the most important labour law is Federal Law 8. This law outlines the major safety measures and health provisions of workers, including migrant labour workers. In terms of progress, the UAE hosted the Abu Dhabi Dialogue, a discussion on "Overseas Employment and Contractual Labour for Countries of Origin and Destination in Asia," as well as the Global Forum on Temporary Contractual Labour (UAE 2007). These forums included partnerships with organizations such as the ILO, International Organization for Migration and the Arab Labour Organization (ibid.), but no major steps toward international cooperation have been taken since 2008. In Qatar, movements have been made to replace the Kafala sponsorship program. While reformed labour laws officially came into force in December 2016, no deadline has been established for implementing corresponding policies that would replace the Kafala system. New labour

mandates set guidelines on the development of new contracts between employers and foreign migrant workers, including standardized employment contracts for domestic workers. Furthermore, the government of Qatar drafted a policy in February 2017 that aims to provide legal protections for domestic migrant workers for the first time (*The National* 2017). The law applies to sponsors and domestic workers alike, specifying their rights and duties in accordance to the regulation of the relationship between them (ibid.).

While migrant labour laws are progressing and becoming a central aspect of governance in both sending and receiving countries, a lack of enforcement and discrimination against women migrant workers remains. This often results in new laws being used as placeholders against further international pressure rather than creating positive change. Importantly, domestic workers are often not included under legal protections, resulting in a complete lack of protection. For example, domestic migrant workers are not included under the UAE's Wage Protection System (Malit and Youha 2013) or the newest law mandating standardized contracts, systems hailed for their modern developments (Human Rights Watch 2015). In addition, women's rights are not explicitly stated due to the gender-neutral nature of memorandums of understandings between Nepal and GCC countries, resulting in generally vague requirements concerning migration and labour laws. The creation of formal bilateral agreements must be generated to ensure the rights of migrant workers (women and domestic workers in particular) and create a strong working relationship between sending and receiving countries, in order to evolve social and legal norms concerning the treatment of labour migrants. Consequently, there is a need to further develop transnational immigration regimes embedded with human rights norms at state levels, as well as labour laws geared toward women migrant workers at local levels.

Policy Recommendations

In course with the UN Global Compact's 2017-2018 agenda concerning safe, orderly and regular migration, the following recommendations are proposed to address intersectional implications of human rights abuses throughout recruitment agencies within international labour migration regimes.

The establishment of enforceable international mechanisms concerning labour migration and recruitment agencies that include gender mainstreaming by means of establishing formal bilateral agreements with harmonized goals between Nepal and GCC countries.

- Ratify subsequent UN and ILO Conventions concerning labour and migration including the UN Convention on the Protection of the Rights of All Migrant Workers and Members of their Families (Nepal, UAE, Qatar and Canada), ILO Migration Employment Convention (Nepal), and the Migrant Workers (Supplementary Provisions) Convention (Nepal).

- Formalized agreements should support Sustainable Development Goals, including ending discrimination against women, reducing inequalities between countries and promoting economic development, economic growth and decent employment for all citizens within Nepal.

Improve oversight of recruitment agencies within Nepali government ministries, whereby such agencies are formally registered with and regulated by the government through the establishment of a database with a registry comprising of listings of employment contracts, employment agencies and agents. This must be implemented with respect to:

- reducing the cost of labour migration in respect to recruitment fees and facilitating eased access to the labour market for migrants who are otherwise compelled to work in the informal economy; and

- directing more resources toward recruitment within the Nepali government to guarantee 21-day pre-departure training is available outside of large urban centers to guarantee access for all Nepali migrant workers.

Promote ethical business practices throughout labour recruitment services in destination countries with mechanisms enabling human abuses to be reported and remedied.

- Develop and provide gender-responsive and human rights-based tools and training to all stakeholders, including public and private recruitment agencies.

- Enforce domestic labour laws to uphold freedom of association, the right to a safe working environment, the recognition of the right to collective bargaining, and eliminate of all forms of forced and compulsory labour throughout GCC countries.

Forge cooperation and partnerships between international organizations and initiatives including the Global Compact on Migration, International Organization for Migration and ILO to affirm principles and guidelines that can be used to propagate a global commitment to a new human rights-based framework concerning labour migration and recruitment regimes, including:

- a system of monitoring migratory movements whereby they are made systematic, consistent, predictable and humane, creating streamlined terms and conditions for employment contracts for domestic workers across the region; and

- all parties and stakeholders assuming corresponding roles and responsibilities, while considering specific circumstances surrounding migration patterns.

Canada should use its influence within international partnerships to enhance global knowledge on national and international recruitment practices in line with the ILO's Fair Recruitment Initiative and the Global Compact on Migration.

- Political pressure should be placed on countries such as Nepal to incentivize laws, policies and enforcement mechanisms to strengthen human rights norms throughout recruitment agencies.

- Enforce comprehensive regulations concerning labour migration and recruitment practices within Canada to protect the human rights of migrant workers.

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Scaling Up Canada's Local Immigration Partnership Model for Proactive Refugee Resettlement

Ahmed Mohamoud Elmi, Marina Ghosh and Sasha Oliveira

Issue

There is a lack of proactive and flexible systems in place for refugee resettlement in light of unpredictable refugee flows resulting from humanitarian crises.

Background

As of 2015, 65.3 million people were forcibly displaced, of which an estimated 21.3 million were refugees (United Nations High Commissioner for Refugees [UNHCR] 2015). The root causes of displacement are complex. Factors such as "violent conflict, poverty, inequality, climate change, disasters and environmental degradation" have led millions to seek sanctuary, often outside their home countries (UN Secretary General 2016, 2).

The mass movement of Syrian refugees that peaked in 2015-2016 highlighted the flaws of the international refugee response. Global efforts to accommodate and resettle refugees have been politically divisive and fragmented. Many countries witnessed the development and reactivation of hostile xenophobic attitudes toward refugees that are "becoming more socially and politically accepted" (ibid.). National borders were sealed and many refugees were directed to camps. These types of responses deterred the arrival of refugees fleeing conflict zones, and prevented their swift reception and resettlement. Those refugees that are able to resettle still regularly face difficulties in receiving countries, including the challenges of adapting to the social and geographical conditions,

language barriers and employment difficulties. As such, immigration policies in many countries have proven ineffective in the resettlement and integration of refugees.

What Needs to Be Done?

The underlying causes of displacement that also generate refugees are persistent, as solutions are difficult to untangle. In situations where countries need to respond to humanitarian crises and welcome large numbers of refugees, it is crucial to have an efficient response system in place and ready to mobilize resettlement and integration. Canada's Local Immigration Partnership (LIP) model implemented on a global scale has the potential to fill this gap. This was clear based on the influential role LIPs played in the resettlement of Syrian refugees in Canada in 2015-2016. Drawing on the LIPs' role in this event, the recommendation in this brief offers a strategy for scaling up LIPs abroad.

What Are LIPs?

First introduced in Ontario in 2008, LIPs are a community-based collaborative governance model for newcomer resettlement and integration. They emerged as a product of the partnership between the former Citizenship and Immigration Canada (CIC), now Immigration, Refugees and Citizenship Canada (IRCC), and the Ontario Ministry of Citizenship and Immigration (CIC 2014b), following the 2005 Canada-Ontario Immigration Agreement. Communities outside of Ontario that have

adopted the LIP model since then include Calgary, Alberta; Halifax, Nova Scotia; St. John's, Newfoundland and Labrador; Winnipeg, Manitoba; and Surrey, British Columbia.

While LIPs themselves do not offer newcomer services, they coordinate existing services and agencies, improve communication between local stakeholders and consolidate local partnerships in the settlement sector. By partnering with all levels of government, civil society and non-governmental organizations, LIPs create efficiencies and improvements in newcomer service delivery (Edgington et al. 2001). As such, they enhance community effectiveness in building and promoting settlement services and creating a sense of belonging for newcomers (Burr 2011). The key strength of the LIP model relies on their place-based nature, which allows them to remain adaptable to each community's unique features — such as history of immigration or refugee resettlement, existing settlement agencies, networks or community leaders, or local newcomer policies — and seek out place-based strengths.

LIPs' Experience with Refugee Reception

In Canada, the LIP model was created with a primary focus on immigrants, nevertheless due to its flexibility the model proved important in the response to the Syrian refugee event. This is evident from the findings of a research project funded by the Social Sciences and Humanities Research Council of Canada (SSHRC) in partnership with IRCC.[1] The research carried out a comparative examination of LIPs in the Waterloo region, Hamilton and Ottawa, and determined the role played by LIPs in the resettlement and integration of Syrian refugees under the federal government's 2015-2016 resettlement plan. The research found that the LIPs:

- acted as a catalyst for community-wide refugee resettlement planning and responses;

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1 The research presented in this brief was funded through a rapid evaluation initiative by SSHRC, in partnership with IRCC. The research team includes the authors of this policy brief, Margaret Walton-Roberts (Wilfrid Laurier University), Blair Cullen (Wilfrid Laurier University), Huyen Dam (McMaster University), Sarah Wayland (City of Hamilton) and Luisa Veronis (University of Ottawa). Up-to-date information on the research can be found at http://imrc.ca/comparative-evaluation-of-local-immigration-partnerships-lips-and-their-role-in-the-syrian-refugee-resettlement-process/ and http://imrc.ca/imrc-policy-points_june-final/.

- created or enabled new working groups and bodies to oversee specific aspects of refugee resettlement;

- established new intersectoral partnerships;

- hosted welcome events and forums; and

- published resource guides in Arabic, among other accomplishments.

This research provided insight into the experiences of LIPs with Syrian refugee resettlement and demonstrated their potential for refugee resettlement abroad. Overall, LIPs consolidate the community enthusiasm and the disconnected service provider landscape and coordinate the efforts of many stakeholders into tangible, cohesive, and efficient action that helps refugees better integrate into their receiving communities. LIPs re-envision refugee resettlement as a process that has the interest, support and involvement of their local communities.

LIP Model Recipe

A set of best practices and learnings (from the 2015-2016 Syrian refugee resettlement experience in Canada) can be replicated to recreate the LIP model abroad, a model that not only addresses immigration, but refugees and other newcomers as well. This model's elements are depicted in Figure 1 as a recipe that governments and communities can follow.

The six main "ingredients" of this LIP model recipe are as follows:

1. **Model structure.** A LIP structure should include four components shown to be important in existing LIPs: a council, director, executive committee and working group(s):

   - Councils bring together leaders from various sectors of the community, act in an advisory capacity to coordinate and enhance services for newcomers, and develop strategy on such things as integration and housing (Hamilton Immigration Partnership Council [HIPC] 2015; 2016).

   - A director with effective leadership skills and charisma can act as a catalyst for LIP success, by empowering stakeholder groups to mobilize and coordinate the community response for refugee resettlement.

Figure 1: Recipe for Replicating Canadian LIP Model's Best Practices

Source: Elmi, Ghosh and Oliveira (2017).

- The executive committee is a group of leaders who help the director steer the LIP by making key/executive decisions (including, for example, seeking additional funding). Executive committees manage and coordinate the multiple operations of the working groups as well.

- Working groups are responsible for specific tasks, allowing focused attention on pressing issues.

2. **Alignment with a permanent local civic institution.** It has proven significant for a LIP to be housed by, or otherwise consistently affiliated with, a permanent local civic institution. Examples include a municipal government, chamber of commerce, an established local non-governmental organization or religious body active in the settlement sector. Such alignment can be achieved by sharing office and meeting space, human resources and/or involvement with the executive committee. This positions the LIP as a consistent coordinating entity for the local settlement sector, encourages the formation of lasting and meaningful partnerships with stakeholders, and establishes a direct line of communication between the LIP and the entities that lead local resettlement efforts.

3. **Local decision-making autonomy.** LIPs, when affiliated with governments, need to be empowered to have local decision-making autonomy to better serve community stakeholders. This is what grants them the ability to be proactive and flexible in response to humanitarian crises and mass resettlement events.

4. **Fundraising strategies.** Funding is important for LIP staff salaries (where applicable), promotional material and events for welcoming newcomers. In Ontario, LIPs receive a portion of their funding in the form of in-kind contributions from the federal government's Settlement Program (CIC 2014a). However, LIPs must be wary of potential financial constraints that arise if government priorities and budget allocations change. Such an instance occurred in 2015 when the IRCC reduced LIP funding (Waterloo Region Immigration Partnership [WRIP] 2015a). As such, LIPs should mobilize additional funds locally; for example, in 2012-2013 over CDN$4.5 million were raised by LIP partners (CIC 2014a).

5. **Effective communication for operational transparency.** The structural components of a LIP must communicate with one another, its member partners, the hosting entity and other stakeholders in a transparent manner. This aspect is necessary for improving LIPs' responsiveness to local issues, their efficiency, and their accountability to the public, stakeholders and funders.

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6. **Community enthusiasm and ownership of the refugee resettlement process.** Community enthusiasm and ownership are essential for meaningful refugee resettlement responses. They mobilize resources (i.e., partners, funders, volunteers), and mitigate possible hostility and xenophobia. LIPs play a key role in bolstering community enthusiasm and ownership through their public engagement and education initiatives. Ottawa's LIP (OLIP), for example, hosts several community events a year, including an annual Immigration Forum to mobilize stakeholders and seek community input into Ottawa's Immigration Strategy. It also organizes an annual Welcoming Ottawa Week which provides a space for newcomers and other Ottawans to interact and connect (OLIP 2017a; 2017b). Similarly, the WRIP hosts an annual Immigration Partnership Community Forum to engage community actors (WRIP 2015c; 2016b).

In addition to the six main ingredients, there are additional elements that can serve as optional "flavourings" in the LIP recipe to enhance the model:

- **Consistent government funding.** While LIPs can be adaptive in their funding strategies (the fourth main ingredient), funding support from government sources enhances their operations. It reduces the amount of work directed to fundraising, allocating more time to the LIP mandate, and allows LIPs to have a longer-term strategy and form lasting partnerships. The presence of government funding should not, however, compromise LIPs' autonomy.

- **Support staff.** LIPs can operate on a voluntary basis, but in practice they function better with staff responsible for operational and administrative tasks. Moreover, permanent staff members can establish lasting relationships with partners and community stakeholders, which can enhance the sustainability of the LIP and the implementation of its long-term vision for creating welcoming and inclusive communities.

- **Stakeholder diversity.** In addition to partnering with actors directly involved in settlement services, LIPs need to be open to establishing partnerships with a variety of groups in other sectors including health care, education, research and finance. Partnerships with universities, for instance, present opportunities

to share knowledge, expertise and resources, and conduct collaborative evaluations of activities and results. One such learning-community model exists between Wilfrid Laurier University and WRIP (Social Innovation and Venture Creation 2016). Another possibility for intersectoral partnerships is collaboration with financial institutions. For example, WRIP partnered with Scotiabank for their Immigrant Talent Engagement Project that facilitates work resettlement for newcomers (WRIP 2015b; 2016a). Moreover, LIPs should seek to engage a diverse set of stakeholders — including local agency representatives, prominent community members and especially newcomers — in the LIP councils, executive committees and working group(s).

- **Inclusiveness for all newcomers.** The LIP model can be scaled up to enhance the resettlement of refugees, but they should seek to remain flexible and aim to support the resettlement and integration of all categories of newcomers.

- **Communication between LIPs.** Once multiple LIPs are operational in the same state or jurisdiction, they can benefit from interacting and exchanging best practices and learnings. Moreover, this can occur at and across all levels: local, national and international.

Recommendations

Global Affairs Canada should use their resources to scale up the LIP model as a proactive approach for refugee resettlement abroad:

Replicate the key features of the LIP model. Based on the findings from the analysis of the three LIPs in the SSHRC research project, the best practices and learnings recipe for LIPs identified earlier should be scaled up. So long as the main ingredients of the LIP model are in place, the LIP name can be re-visioned as a Resettlement Coordination Partnership, or similar, in those countries and communities with lower immigration priorities.

Scale up the LIP model in the countries offering refugee resettlement programs. We recommend that LIPs, as a model for permanent or long-term refugee resettlement and integration, be scaled up in countries that offer refugee resettlement. As of 2016 there were 37 countries that fit this description (UNHCR 2016b).[2]

Look out for community attributes that signal predisposition for the LIP model. Around the world, exclusionary nationalism and xenophobia are on the rise, with corresponding political and media reactions. Fortunately, strong welcoming responses exist alongside any hostility. One of the most apt community types for LIPs is a community where a welcoming dialogue already exists and can be built on. Some examples include municipalities that participate in the "Welcoming Communities" initiative, sanctuary cities or solidarity cities. In communities where the welcoming sentiment is less prominent, LIPs can support the emergence of more open outlooks toward refugees and other newcomers, specifically through their advocacy programs and community-strengthening initiatives. Additionally, the LIP model has operated well in communities with less than one million inhabitants. This has shown to be an optimal community size, where service overlap is reduced, populations and service provision locations are more concentrated and at the same time elements of a LIP are not overwhelmed, and can remain in touch with local priorities and context.[3]

Share the knowledge and promote the adoption of the LIPs model abroad. Canada can take a lead role in showcasing the LIP model as an example of best practices and learnings for refugee resettlement. This can be done in three ways:

- Building on the Global Refugee Sponsorship Initiative: The international community currently regards Canada as a thought leader in refugee resettlement. This is evidenced by the Global Refugee Sponsorship Initiative, which is a response to the interest for replicating Canada's private refugee sponsorship model in other countries (UNHCR 2016a). There is an excellent opportunity to extend this initiative to offer the LIP model to the international community as part of a "Canadian Refugee Policy Innovation Package."

- Incorporating LIPs knowledge sharing into foreign affairs operations: By allocating moderate funds toward the dissemination of the LIP model's recipe, Canadian embassies could host LIP practitioners and academics to advocate for the LIP model in countries that offer permanent refugee resettlement.

- Engaging with stakeholders and establish intersectional and international partnerships: The LIP model can be disseminated through research and community networks in Canada and across national borders. SSHRC can be an important partner in this regard, and their programs and conferences can be a venue for knowledge-sharing, as can academic, leadership and community conferences held by other organizations. Communicating key ideas and successes of LIPs in media outlets would help the strategy gain interest and traction.

Conclusion

Canada's community-driven LIP approach, that can be utilized for refugee resettlement, has shown to be innovative and promising. Canada should seize the opportunity to share it internationally. If the LIP model can be scaled up, we expect there to be a greater uptake of refugees by communities, diminishing xenophobia, and greater support for and commitment to the resettlement of refugees and other newcomers.

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2   These countries are Argentina, Australia, Austria, Belarus, Belgium, Brazil, Bulgaria, Canada, Chile, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Iceland, Ireland, Italy, Japan, Republic of Korea, Latvia, Liechtenstein, Lithuania, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Romania, Spain, Sweden, Switzerland, United Kingdom, United States of America and Uruguay.

3   In areas with over one million people, multiple LIPs can be put in place, and can be divided by districts for example.

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Innovative Financing Mechanisms for the "Age of Refugees": Opportunities for Canadian Leadership

Dani Marcheva, Olivia Matthews and Dominique Souris

Issue

By championing new innovative financing mechanisms, Canada can demonstrate to the world that sufficient, timely, equitable, predictable and sustainable financing for the global refugee system is not only necessary but achievable.

Background

The Funding Gap in the Age of Refugees

With over 65 million displaced people worldwide, including over 21 million refugees, the UN High Commissioner for Refugees (UNHCR) has declared that we have entered the "Age of Refugees" (UNHCR 2015). Today, 86 percent of refugees are hosted by just 10 countries, all of which are in the Global South. The current international refugee system is not only inequitable, but also highly unsustainable. At present, funding for lifesaving and life-sustaining services that enable refugees to lead lives of dignity is unpredictable, insufficient and untimely (Amnesty International 2016).

The intensive and extended nature of conflicts, as well as the instability sparked by civil wars, will contribute to mass migrations beyond the capacity of the current international system. Further exacerbating the problem are the devastating effects of climate change, which are estimated to forcibly displace over 200 million people by 2050 (International Organization for Migration 2016). If left unaddressed, the rising levels of forced, protracted displacement will undoubtedly drive up the costs of sustaining the global refugee protection system, perhaps even exponentially.

The growing divergence between the financing needs and the available resources to address various refugee crises is already undermining and will continue to erode the international community's capacity to fulfill its commitments for refugee responsibility-sharing established under the 1951 Refugee Convention. In 2016, the UNHCR's funding gap was US$3.6 billion, representing 53 percent of its funding needs (UNHCR 2017). In comparison, the shortage represented only 0.005 percent of the annual world GDP of US$78 trillion (UN High-Level Panel on Humanitarian Financing 2016). Further, the recent Uganda Solidarity Summit on Refugees fell short of its intended pledging target by US$1.6 billion (UN News Centre 2017). From these examples among many more, it is clear that refugee funding is insufficient. Unless new approaches to financing are developed to close the gap, the global refugee system will become unsustainable as the numbers of refugees and internally displaced people increase in the decades to come.

A Window of Opportunity for Canada: The Global Compact for Refugees and Comprehensive Refugee Response Framework

The need for coordinated action on refugee responsibility-sharing was the principal focus of the 71st United Nations General Assembly in September 2016. The resulting New York Declaration for Refugees and Migrants set in

motion important international developments, namely the United Nations Global Compact for Refugees (to be completed in 2018) and the Comprehensive Refugee Response Framework (CRRF). The CRRF specifies four key elements for a comprehensive response to any mass movement of refugees: reception and admission; support for immediate and ongoing needs; support for host countries and communities; and creating durable solutions (UNHCR 2016). While the CRRF shows considerable promise, it is still in a pilot phase and needs to be scaled up promptly. For this purpose, more money and more effective spending will be required. States are unlikely to make up current and future funding gaps, and ad hoc donor drives and pledging conferences are merely stopgap solutions that fail to make a substantive difference in the long term.

The sentiment at the General Assembly demonstrated that the world wants Canada to lead on questions of refugee protection. The Trudeau government has earned credibility on the international stage, providing a unique and unprecedented opportunity to champion new and innovative financing mechanisms for the global refugee system. Doing so will not only help strengthen the global refugee system, but will also reinforce Global Affairs Canada's development priorities. The mechanisms will help Canada build effective partnerships with the private sector and complement its efforts to advance Canada's Development Finance Initiative and the 2030 United Nations Agenda for Sustainable Growth at a limited cost.

The "STEPS" Principles, Guiding Three Innovative Financing Mechanisms

While the need to improve refugee responsibility-sharing is not new, today's realities require bolder ideas and responses. The "STEPS Principles of Responsibility-Sharing" should be used to guide all responses in order to build a long-term strategy for addressing mass movements of people in the Age of Refugees. Our recommendations are premised on these five STEPS Principles, which outline that innovative financing mechanisms to reform the current refugee system must be:

- **Sufficient** in order to create a system that is well supported economically;

- **Timely** in order to facilitate quick responses to the pressing needs of refugees and host communities;

- **Equitable** to create fairness within the power imbalance between wealthier nations and those with less economic and political clout;

- **Predictable** in order for countries to be able to accurately prepare for an influx of refugees and the amount of funding needed; and

- **Sustainable** in order to create long-term, proactive solutions to a crisis that has no foreseeable end.

The financing mechanisms outlined below have been adapted from humanitarian and climate financing contexts to work within the CRRF by: facilitating funding for civil society and small- and medium-sized enterprises (SMEs); introducing micro-levies; and utilizing comprehensive risk-management approaches. If adopted, they would strengthen the ability of the international community to create long-term solutions, beneficial to both refugees and host countries. By supporting the integration and self-sufficiency of refugees, these mechanisms would lessen the financial burden on host communities and empower refugees to have the ability to create their own durable solutions.

Mechanism 1: Facilitate Civil Society and SME Funding through the Global Concessional Financing Facility

Civil society and local Small and Medium Enterprises (SMEs) are uniquely positioned to support refugees and host communities, in ways that states are unable to. The recently launched Global Concessional Financial Facility (GCFF) aims to disburse US$6 billion in concessional financing until 2021 for state-led development projects in middle-income countries impacted by mass movements around the globe (GCFF 2016). Although the facility has expanded the eligibility criteria for its funding, non-governmental organizations (NGOs) and SMEs do not have *direct* access to its financing opportunities (World Bank 2016).

Although NGOs are central humanitarian and development partners in host countries, they face significant operational challenges, inhibited by ineffective and insufficient financing. NGOs go through a lengthy procedure to receive resources from the GCFF due to the state-centred disbursement procedure. Asylum seekers and refugees are the ones who pay the price for these time delays. If left unaddressed, the current financing

model would rapidly become unsustainable as the costs of future interventions would increase. As a credible donor to the GCFF, having pledged CDN$20 million to date, Canada is well-placed to advocate for the expansion and streamlining of their financing options within the Facility (World Bank 2017).

NGOs and SMEs should be given direct access to different funding options from the GCFF to unleash their potential to create durable solutions for refugees. While NGOs should be given direct access to more grants and interest-free loans, as they fill in state gaps and provide local solutions, SMEs should be granted access to concessional loans, as they have the ability to pay back these loans and offer valuable opportunities for skills development for refugees. Such disbursement adjustments would be in line with the international commitments of localization of aid made under the 2016 Global Bargain (UN High-Level Panel on Humanitarian Financing 2016). Direct financial support to NGOs would give them the flexibility they so desperately need to respond rapidly to emerging crises with programming that meet needs of refugees and host communities. NGOs, especially local ones in the Global South, do not normally have easy access to traditional sources of financing such as Official Development Assistance, and they are not in a position to accept and repay concessional loans. To offset such financial hardships, Canada can encourage the GCFF to allocate more grants to NGOs and offer interest-free loans. By partnering directly with NGOs, the GCFF will facilitate more cost-effective solutions that respond to the particular needs of refugees and host communities in different settings. Moreover, expanding the GCFF to provide access to concessional loans to SMEs would also benefit refugees. Local enterprises would help refugees become more self-reliant through skills development and employment creation initiatives. Such projects would both ease the financial pressure on host countries and empower refugees to create durable solutions for themselves.

Mechanism 2: Micro-levies

The private sector has lagged in its contributions to humanitarian financing and refugee responses, despite benefitting greatly from migration flows. However, this is not from a lack of interest. New solutions are needed to effectively engage key private sector players in social welfare solidarity. Engaging the private sector was a commitment made in the New York Declaration, and while it may be challenging it offers opportunities to enhance contributions exponentially. These contributions could include micro-levies: small taxes placed on luxury items that are used to fund humanitarian ventures. This model has a successful track record, as exemplified through the global health initiative UNITAID, launched in 2006, wherein France and 11 inaugural partner countries placed a tiered levy on airline ticket departures. It has since raised close to US$2 billion (Zuhr, Schrade and Yamey 2014). The UN High-Level Panel of Humanitarian Financing (2016) endorsed the use of micro-levies by member states on corporations with high volume transactions at the 2016 World Humanitarian Summit; however, this proposed model requires extended leadership and greater mobilization to ensure follow-through, adoption at the international level and creativity to think beyond the current model of micro-levies that has been popularized by UNITAID.

The use of micro-levies — whether on airplane or sporting tickets, designer brand clothing, lottery tickets or major technology purchases — could mobilize significant funds to make a meaningful change in the lives of refugees worldwide. Importantly, this type of financing mechanism is virtually invisible to consumers and does not impact consumer behaviour negatively due to its targeting of luxury items and services (Carter 2015). This means that it does not further entrench financial inequalities on the lower-income population of the nation who adopts this system. Micro-levies respect each country's unique tax sovereignty since participating states would be required to enact tax legislation to allow them to operate, and for participating industries to collect the money. If every Organisation for Economic Co-operation and Development country implemented a tiered micro-levy on airline departures (US$2 for economy class, US$20 for business class and US$40 for first class), they would collectively raise close to US$1 billion dollars a month. The Group of Seven (G7) is the appropriate forum to encourage these ideas as high-income countries have expressed their interest to step up their financial contributions in support of host countries. The launch of such a scheme would be a significant step toward a more equitable refugee protection system. Although some governments might be opposed to this sort of taxation scheme for ideological reasons, there is an interest from large corporations to pilot optional micro-levies in support of humanitarian actions. State support is crucial for the success of such a mechanism, and Canadian leadership

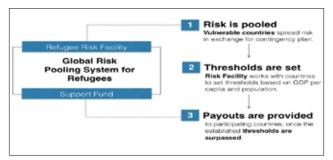could be a game changer in the promotion of this innovative tool.

Mechanism 3: Comprehensive Risk Management — Global Risk Pooling System

The current, staggering refugee crisis highlights not only the financial gaps crippling effective international action, but also how ill-equipped the international community is to respond and prepare for large flows of refugees. New solutions that adequately identify and mitigate risks are needed. Although there are uncertainties regarding the extent and nature of forced displacement in the next decades, due to unpredictable civil conflicts and climate change, it is still possible to examine risks for vulnerable countries, displaced peoples and host communities in order to develop strategies to avoid contingencies (Warner et al. 2009; Lakhani 2013; International Organization for Migration 2017). As a result, comprehensive risk management is increasingly pertinent to the refugee responsibility-sharing discourse, with risk pooling mechanisms touted as effective and necessary tools in need of further exploration.

Risk pooling mechanisms have emerged as effective tools for responding to natural disasters, providing useful examples that can be applied to the refugee situation. The African Risk Capacity (ARC) and Caribbean Catastrophe Risk Insurance Facility (CCRIF) provide excellent models for how these mechanisms might work in refugee contexts. These risk pooling mechanisms allow risk holders (at national, regional and micro-levels) to spread risks widely across time, stakeholders and/or geographical areas to mobilize relief more quickly (Durand et al. 2016). Both ARC and CCRIF are essentially regional insurance schemes for addressing environmental impacts; these aggregate risks are national or regional so that areas hit hard by disasters can pool their resources and access collective reserves when needed. In contrast to Official Development Assistance or humanitarian relief, these types of mechanisms trigger needed financing on much faster terms.

In the context of refugee responsibility-sharing, such risk pooling schemes may be attractive to regions at risk of natural disasters or conflicts that would result in mass displacement. Although it is not possible to predict such events or triggers, it is possible to identify the key risk factors pertinent to refugee responsibility-sharing, and to begin engaging countries that regularly receive high

numbers of refugees to develop such schemes. The risk mechanism would involve regional risk pooling in areas that receive a high influx of refugees. This mechanism works as a regional insurance scheme, allowing these vulnerable countries to pool, or spread out, their risk in exchange for financial payouts that would be triggered once their country-based thresholds of refugees were passed. In exchange for pooling their risks, these vulnerable countries must develop and implement a contingency plan to better prepare for future flows of displaced peoples. An effective risk management policy would need two main components as illustrated in Figure 1:

Figure 1: Global Risk Pooling System for Refugees

Source: Marcheva, Matthews and Souris (2017).

- Refugee risk facility, which would establish country-specific thresholds based on GDP per capita and population size. Mirroring the success of the ARC, the Refugee Risk Facility would be a specialized risk facility with technical expertise in risk assessment pooling. The facility would work with countries to determine the risk profile — i.e., risk factors pertaining to high refugee flows. The risk pool would then take on the risk profile of the group of countries instead of the individual, "combining the uncertainty of individual risks into a calculable risk for the group" (ARC 2015).

- Support fund, which is the pool of funds that is dispersed once thresholds are surpassed. This pool of money would be contributed by wealthier countries, in particular, the Group of Twenty (G20) which has been working toward enhancing its financial contributions through a newly established task force (Lücke and Schneiderheinze 2017).

The global community cannot afford to be surprised by another refugee crisis — we need a new system that

accurately anticipates and assesses the support needed for host countries. However, risk mechanisms have also been met with important challenges and opposition. Many argue they are too limited in scope, or prescriptive in perceiving refugees as "risks" or "threats." While it is important to consider comprehensive risk management as a facilitator of creative mechanisms for solidarity and to avoid furthering the perception of refugees as "burdens," we must also take heed to the current political climate of countries around the globe hesitancy to support refugee reform. Framing refugee support as risk management is problematic, yet necessary to get certain key players on board in the current political climate. Moreover, the contributions made from countries of the Global North do not negate their other obligations relating to responsibility-sharing, namely refugee resettlement. This mechanism is simply a way for wealthier countries to contribute economically in a more equitable way.

Recommendations for the Government of Canada

Expand the participation of NGOs and SMEs in the GCFF by advocating for NGOs to attain direct access to grants and loans provided by the GCFF, and push for SMEs to be granted access to the concessional loans of the GCFF for skills development and economic integration initiatives. Canada should recommend changing the GCFF's disbursement criteria, so that NGOs can partner with implementation support agencies to submit funding requests directly to the GCFF's Coordinating Unit. Canada should also recommend making grants more accessible to NGOs by expanding the GCFF's grant allocations until 2021. This expansion of the financial pool can be financed through micro-levies. Canada should advocate for SMEs to have access to concessional loans from the GCFF for skills development and economic integration projects that are intended to provide employment opportunities for refugees and decrease the financial costs of hosting refugees.

Champion the use of micro-levies within the private sectors of G7 countries. Canada should promote the use of micro-levies at the G7, as it would enable the world's wealthiest countries and their industries to contribute to a more equitable share of their responsibility to the refugee system at very little direct cost to Canadian taxpayers. The collected funds could then be directly channeled into the GCFF, discussed in the first recommendation. These

contributions would constitute a significant contribution from the private sector which would provide a significant boost to the GCFF.

Lead in the establishment of a Global Risk Pooling System for Refugees. Canada should lead a process to establish a Global Risk Pooling System for Refugees and Host States that includes both a risk facility, and a support fund with contributions from G20 countries and the GCCF.

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Security

Toward an Integrated Canadian Peace-building Policy

Zainab Abu Alrob, Maryam Ahmad and Karolina Werner

Issue

By staying true to its long-standing image as a champion of international peace and security, Canada has an opportunity in the current global moment to make a significant contribution to both re-shaping and revitalizing the peacekeeping and peace-building landscape. In the face of ongoing global challenges, Canada's "peace sector" — which comprises those actors and institutions, both governmental and non-governmental, with a commitment and a mandate to promote international peace — can lead by example in employing traditional and non-traditional approaches in support of a more coherent, cohesive and effective Canadian peace-building policy. This integrated approach requires Global Affairs Canada to play a stronger role both in terms of articulating a Canadian peace-building agenda and in terms of facilitating dialogue and encouraging cooperation across the Canadian peace sector. Drawing on the expertise of actors such as non-governmental organizations (NGOs), academics and various governmental bodies is essential to the development and implementation of an integrated Canadian peace-building policy.

Background

The Changing Context of International Peace Building

From Afghanistan to South Sudan, and from Somalia to Haiti, stabilizing and re-constructing conflict-affected societies remains one of the key challenges on the global agenda. While the Government of Canada — as part of its broader messaging around being "back"

on the international stage — has focused on Canada's re-commitment to UN peacekeeping, it is increasingly understood that peacekeeping and peace building are two sides of the same coin, and that the former is unsustainable without the latter. Thus, as Canada considers a renewed peacekeeping role, it is equally important to take stock of Canada's peace-building capacity, and how it can most effectively contribute to the broader, longer-term challenges of building sustainable peace in the aftermath of violent conflict.

Any stock-taking exercise focusing on Canada's peace-building capacity must begin by acknowledging shifting understandings — based on lessons learned from over two decades of post-Cold War peace building — of how external actors can most effectively support sustainable transitions from war to peace. In particular, the profound challenges to peace building experienced in countries as diverse as Bosnia and Afghanistan have exposed the flaws in so-called "liberal peace building," which has emphasized the transmission of Western norms and institutions — around democracy, human rights, free markets and the rule of law — into conflict-affected states. While liberal ideals remain important touchstones for contemporary peace building, overly simplistic notions of peace building as a form of externally driven social engineering have been tempered in recent years by a growing emphasis on the importance of local agency in peace processes. In particular, the New Deal on Engagement for Engagement with Fragile States emphasizes the imperative both of "national ownership" of peace processes and of robust partnerships between conflict-affected states, donors and international organizations, while Sustainable Development Goal 16

underlines the importance of "inclusivity" as a foundation for peaceful societies and effective institutions. Thus, if Canada is to effectively contribute to the next generation of peace-building practice, it will need to take into account these shifting understandings of the relationship between insiders and outsiders.

At the same time, advancing the so-called "coherence agenda" (Andersen 2011) in post-conflict peace building remains an ongoing challenge. Incoherence and malcoordination continue to present serious obstacles to efficient, effective and sustainable peace-building processes, and often result in discrete peace-building interventions adding up to significantly less than the sum of their parts. This is true both for the international community writ large, as well as for the contributions of individual donor countries. While the notion of whole-of-government approaches have now become somewhat of a mantra among Canadian policy makers, it is less clear that Canada — in the current moment — possesses a coherent peace-building policy that could serve to align the myriad efforts of different actors working in this area. Thus, making good on Canada's claim of being "a determined peace builder" may require an ongoing effort not only to articulate a clear strategic policy framework for official Canadian engagement in conflict-affected contexts but also efforts to take advantage of the peace-building experience and expertise residing in Canada's academic and NGO sectors. As outlined further in this brief, the development of a more integrated, strategic approach would enhance both the short-term impact and long-term sustainability of Canada's peace-building commitments.
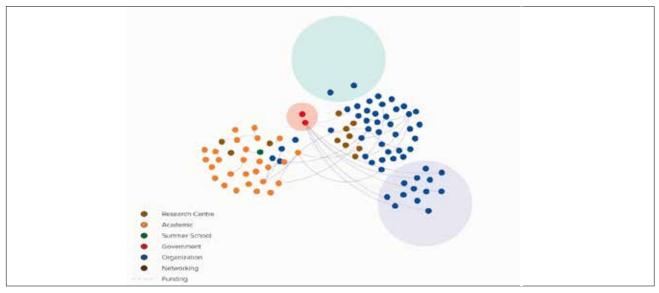
Canadian Peace-building Capacities

For much of the past decade, the landscape of Canadian peacekeeping and peace building has been dominated by a "military first" approach. This has involved deploying Canadian military forces in Afghanistan through the North America Free Trade Agreement alliance as well as engaging in the conflicts in the Middle East, among others. During these years, Canada was heavily involved in counter-terrorism efforts against Al-Qaeda and, more recently, ISIS affiliates. The shift in focus from a human security agenda meant that resources were also shifted from soft power to hard power initiatives. A change in government following the 2015 federal elections led to the renewal of Canada's commitment to both peace building

and peacekeeping, as demonstrated through commitments stated in the Minister of Foreign Affairs Mandate Letter.[1] The letter emphasizes "peaceful pluralism" and support for UN peace operations that involve an active role in mediation, conflict prevention and post-conflict reconstruction efforts.

Phase one of this research project entailed the creation of an inventory of actors involved in the Canadian peace sector, including government organizations and NGOs, academic programs and private sector actors. Core peace sector actors include organizations or programs explicitly committed to the promotion of peace and/or non-violent conflict resolution as a central part of their mission statements. The key finding of this initial mapping exercise, shown in Figure 1, is that while there is a wide range of actors working on peace-building issues, there appears to be a large disconnect both at the state and non-state level. In this regard, there is an opportunity for Global Affairs Canada to step in and facilitate a more integrated approach to Canadian peace-building efforts.

In particular, the current government's commitment to inclusion and diversity is indicative of the need to more effectively integrate non-state actors into a wider, "made in Canada" approach to supporting peace in conflict-affected countries. These actors are actively engaged in peace building in different parts of the world, from Colombia to Mali, and from Afghanistan to Lebanon. Canadian NGOs are also involved in a wide range of peace promotion activities, from unarmed civilian peacekeeping missions, which focus on non-violent campaigns to achieve peace (Janzen 2015), to ongoing efforts to promote gender equality and security sector reform. Organizations such as CANADEM also maintain a network of Canadians with international experience in conflict areas that have specific peace-building skills (Stieran 2005). NGOs have the necessary capacity and efficiency to maximize donor contributions to enhance Canadian peace building. This, along with the mapping exercise, suggests that substantial Canadian peace-building capacities exist but are often deployed in isolation both from each other and from official, government-led efforts. As such, an integrated policy framework, capable of fostering better communication and stronger integration and coherence among diverse actors, would enhance and magnify Canadian contributions to peace building.

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1 See http://pm.gc.ca/eng/minister-foreign-affairs-mandate-letter.

Figure 1: The Actor Map

Source: Ahmad, Alrob and Werner (2017).

Canada has a long history of balanced approaches to conflict prevention and resolution; however, there is currently no substantial NGO or civil society network, and regular consultation with government and interaction between peace sector actors are absent. Canadian peace-building capacities can be strengthened by facilitating the resources and expertise already present in the sector, and more attention needs to be directed to where Canada is most effective. At the same time, one of the ways in which the government can build upon its capacities is by engaging with the diaspora communities from conflict-affected countries. Taking advantage of their diverse language skills and deep cultural understandings would help further Canadian capacities to navigate the complexities of national ownership in peace-building environments.

Coordination/Facilitation Mechanisms and Options

A few states are increasingly recognized as global leaders in peace-building policy development; for example, the United Kingdom has refined its processes and policies around peace building, development and peacekeeping to offer a more coherent and informed peace-building sector. The UK Department for International Development (DFID) has a well-staffed research department, members of which attend various conferences and interact with

scholars outside of the government. It also prioritizes public access to data and other information gathered in DFID-funded studies. The DFID Research Open and Enhanced Access Policy requires any projects funded by the organization to include plans and a budget for disseminating written outputs through open access journals or negotiating with publishers to provide open access for a particular paper or chapter resulting from the research. DFID hosts a Research for Development Outputs website,[2] where the documents from projects the organization funds are freely available. This accessibility and transparency of the work funded and performed by DFID gives academia and NGOs a better understanding of where DFID's priorities lie and where their own work may offer solutions and fill gaps. This in turn aids the creation of a more coherent sector, where projects and research can more easily inform one another as well as affect policy. Canada can, and should, learn from the United Kingdom, developing its own research capacities more fully and creating a transparent, user-friendly and freely accessible platform for the work supported by the government.

Not only can Canada learn from its allies in the Global North, but it should also observe Global South states such as Brazil, which is in the unique position of being

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2   See www.gov.uk/dfid-research-outputs.

a developing state working toward becoming a leader in post-conflict issues and transitional justice. Brazil's legitimacy in the eyes of post-conflict and developing states comes from the nation's status as an emerging power with an intimate understanding of the challenges faced by other developing states. Discerning Canada's role and primary advantage in the international community of peace-building nations is closely associated with an understanding of the role of other states in the global peace-building framework. While the Brazilian government is slowly opening itself up to working with organizations and academia in the peace sector, consultation mechanisms remain ad hoc and selective. For example, in 2014, the Ministry of External Relations opened up consultations to a small group of civil society organizations on a foreign policy white paper. In addition, as a public foundation established by the Ministry of External Relations, the Alexandre de Gusmão Foundation publishes research outputs both from the public and academic sector, although this is not yet done in a systematic fashion.

Canada has the opportunity to observe Brazil in various international and regional settings, learning from their experience as an emerging power and aspiring peacemaker. By learning from these observations and interactions Canada can better position itself to offer support and a perspective unique to its own setting and experience on the peace-building process. With a more coordinated peace sector, Canada could leverage the knowledge and international partnerships its own academic and civil society organizations already possess in states such as the United Kingdom or Brazil. This in turn would allow the government to make more informed and effective peace-building policy and engage in activities for which Canada is best suited, and in ways that avoid unnecessary duplication.

Policy Recommendations

Global Affairs Canada (GAC) should create an environment for greater communication and consultation among NGOs, academics and policy makers. A clear definition of the peace sector, as well as a coherent strategic framework for engaging in peace building, is required in order to fully mobilize Canadian peace-building capacities.

GAC needs to be a key player. It should play a central role in facilitating dialogue among different peace sector

actors by re-opening a channel for regular consultations with NGOs, academia and other civil society members. This would entail annual, multi-day conferences on peace building, addressing the wider peace sector and covering a range of peace-building-related topics, similar to the consultations facilitated by Peacebuild from the mid-1990s to the mid-2000s. Such dialogue, with the assistance of (and ideally hosted by) GAC, will pave the way for evidence-based research that measures financial resources (Janzen 2015), diplomatic capacity and reliance on consultation with experts in the field, which is vital for an integrated peace-building sector. This new approach must go beyond information sharing to include greater attention to mission clarity, institutional coordination, international collaboration, balance and timing (Travers and Owen 2008). An integrated peace-building policy must recognize the complexity of peace building, and commit to working with peace sector actors in the search for more effective, sustainable approaches to the challenges of peace building. While government has begun reaching out to selective peace actors, there are no regular consultations at which peace sector actors can communicate. Figure 1 shows limited connections between different actors. Regular consultations would create multidirectional conversation that would allow interested peace organizations and programs to interact and network with one another, thus creating a more integrated and cohesive sector.

Canada needs to respond to the geographical landscape. Internationally, Canada should concentrate and invest in targeted areas rather than spreading its resources too thin. The landmines case is a perfect example of successful, focused Canadian leadership. Canada needs to engage in a strategic exercise of determining where (geographically) and on what issues it can make the biggest impact, and focus its peace-building resources accordingly. This approach would also enable Canada to make commitments over longer, and more sustainable, time frames. Additionally, by becoming more familiar with the strengths and policies of other states, such as Brazil, Canada will be better positioned to cooperate and respond in crises for which it is best suited.

Canada should consider a focus on unarmed civilian peacekeeping as a complement to conventional military peacekeeping. Civilian peacekeepers can perform a range of roles in conflict situations, including "strengthening ceasefires by providing a deterrent presence, monitoring and reporting human rights abuse, protective

accompaniment of human rights and civil society leaders, building relationships with and among disputants, and partnering with local civil society groups to build strategies for long-term conflict prevention" (Janzen 2015, 17). It is important to note that unarmed civilian peacekeeping's significance lies in the fact that it can offer what military peacekeeping cannot. Peacekeepers are able to effectively build bridges among different actors in conflict-affected settings, and are able to better facilitate partnerships than military personnel. Civilian peacekeeping values the importance of inclusivity through effectively facilitating dialogue among disputants.

Canada must draw inspiration from international approaches. When looking at coordination and facilitation mechanisms, Canada might also learn from other contexts as it seeks to develop more coherent peace-building policies. As part of a broader approach to fostering greater communication among peace-building actors, GAC should also consider greater investments in its own capacity to generate (either directly or indirectly) and disseminate policy-relevant research on peace-building-related issues. A concerted effort should be made to create a single, public, easily accessible platform for the dissemination of work done or supported by GAC. As part of GAC's funding requirements, research articles and reports resulting from funded projects should be submitted to this platform and all efforts should be made to ensure they are free to the public. Special funds may be dedicated to fees associated with accessibility to articles typically behind publisher paywalls. In addition, in filling its own niche in the international peace-building community, Canada should observe and be conscious of the role being taken on by Global South partners, such as Brazil, as they enter into the peace-building community. This can be done by reaching out to various partners more regularly and opening consultations on issues of mutual interest. An understanding of the unique, new role of Global South partners in peace building will allow Canada to better understand where it can and should be involved, and what niche areas are available which will work harmoniously with the changing landscape of peacebuilding.

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Targeting Radicalization to Violence through Coordination and Cooperation

Ashlee Babcock, Priyanka Bahl, Ousmane Diallo, Kayla Grant and Ameera Mukadam

Issue

The Government of Canada should accelerate the establishment and operation of a centralized and accountable body to facilitate its countering radicalization to violence (CRV) programs, and must incorporate a cyber strategy into this new body's mandate.

The Government of Canada, through the Canada Centre for Community Engagement and the Prevention of Violence (CCCEPV), must focus efforts on establishing a mutual understanding of the process of radicalization to violence, and incorporate a coordinated strategy between various bodies into the CCCEPV mandate in order to counter the challenge posed by violent extremism.

Introduction

Given the plurality of actors involved in CRV, there is little consensus on what exactly constitutes countering radicalization to violence. The 2016 National Security Green Paper defines radicalization to violence as a "process where people take up an ideological position that moves them towards extremism and ultimately, terrorist activity" (Public Safety Canada 2016b, 15). Stéfanie von Hlatky and Nora Abdelrahman Ibrahim define violent extremism as a "spectrum of activities," ranging from hate speech to physical terrorist attacks (2017, 1). One merit of conceiving CRV as a spectrum of activities is that this puts the onus on the rhetoric and actions of the individuals and groups, rather than on their ideology.

Although Canada has been relatively spared from violent extremist acts on its territory, there is a global rise of extremist ideologies, populist rhetoric and a polarization of the political discourse which, coupled with the "foreign fighters" phenomenon, constitute social, political and security challenges.

Definitions of violent extremism vary between governmental agencies and results in incoherence that complicates collaboration between these actors. The creation of the CCCEPV aims to streamline these inconsistencies and signals Canada's commitment to engage with various stakeholders to address the issue of violent extremism. The CCCEPV arises from issues related to the definition of CRV, the effectiveness of CRV, and from questions on how to measure the success of CRV approaches.

The Security Landscape and Coordination Challenges

Since August 2016, the terrorism threat in Canada has been assessed as "medium," a level that indicates that a violent act of terrorism has the potential to occur in Canada (Public Safety Canada 2016c). The Canadian policy landscape on CRV is broad, with some government initiatives (local levels) focusing on community outreach and proactive efforts, while others (mostly federal) place the onus on intelligence collection and law enforcement. At the federal level, the Canadian Security Intelligence Services (CSIS), Canada Border Services Agency, Royal Canadian Mounted Police (RCMP) and Public Safety Canada are the main actors involved in CRV. The lack of consensus over what constitutes CRV, added with the compartmentalized design of these agencies has led to

ineffective collaboration between these bodies, which pursue relatively disjointed and mutually uninformed operations and strategies. While focusing on violent extremism, the Canadian government lacks an aggregator for information on cases to be shared and accessed by all relevant security agencies.

Fragmentation of the policy landscape has been identified as a key challenge to Canada's CRV approach (Thompson, Hiebert and Brooks 2016). The division of responsibilities between several independent security bodies (Public Safety Canada, CSIS and RCMP) is not conducive to effective prevention or countermeasures of radicalization to violent extremism. The need for greater information sharing, especially between CSIS and the RCMP, has been stressed by security analysts due to problems in the handling of past cases. Tensions between respecting the privacy of citizens, while ensuring their safety and security from terror threats, have been a concern to policy makers, citizens and organizations alike. This in part, explains the fractured design of the current CRV governance landscape.

The lack of coordination between security agencies, particularly RCMP and CSIS, was evident in the investigations related to the case of John Maguire, a Canadian citizen who joined Daesh in December 2012. This case, exemplifies the difficulties that can be caused by a lack of communication between CSIS and the RCMP (Beeby 2016; Dimmock 2016; 2017). Canada has yet to implement a systemized approach to CRV that allows for effective collaboration across government departments and agencies, and coordination between national and local levels of law enforcement agencies across the country (Thompson, Hiebert and Brooks 2016). The lack of coordination among the security services, commonly cited as an expression of inter-agency rivalry, has been recognized by scholars and policy makers who have stressed the need for multilateral partnerships to improve cooperation, information flow and effective law enforcement (Solyom 2015; Tupper 2014). More importantly, a fractured policy landscape impedes the capacity of the federal government to efficiently deal with risks, and leads to a largely reactive approach to countering radicalization to violence.

Beyond the federal level, several municipalities in Canada have also developed programs to prevent radicalization to violence. Programs in Montréal (Centre for the Prevention of Radicalization to Violence) and Calgary (ReDirect

program) are pioneers in this domain and their approach engages local community actors and social services (especially health and education) in the prevention of radicalization to violent extremism. Prevention through education, awareness programs and referrals from the community, is central in these local-level initiatives. These local actors, however, have demonstrated hesitance to engage with federal initiatives, fearing a loss of trust from at-risk individuals within the community. These fears are not unfounded, as earlier CRV operations have served as proxies for intelligence collection rather than its intended purpose: to counter radicalization to violence. The controversies over United Kingdom's CRV "Prevent" program and the US Department of Justice's "Counter Violent Extremism" in Minneapolis are illustrative of this concern (Sperber 2015; Mastroe 2016; Patel and Koushik 2017).

CRV in Canada can also be affected by recent parliamentary developments. Bill C-59 (An Act Respecting National Security Matters), if passed, will strengthen security governance in Canada and lead to a less fragmented security landscape The National Security and Intelligence Review Agency (NSIRA) will oversee and review simultaneously the activities of CSIS, the Communications security Establishment (CSE) and the RCMP, replacing the independent watchdogs of each one of these agencies. These existing review bodies cannot share sensitive information or hold joint-reviews, limiting their ability to properly address intersecting issues. The NSIRA mandate would be to review all national security and intelligence activities across Government; replacing the siloed approach currently found in national security review. An Intelligence Commissioner would be responsible for authorizing certain intelligence and cyber security activities prior to their conduct. This proposed oversight and the role of the Intelligence Commissioner will further trust building between the Canadian public and the national security and intelligence community.

The oversight power of the Intelligence Commissioner constitutes a departure from the powers vested in CSIS by Bill C-51, which allowed CSIS wide authority to take measures, within or outside of Canada, to reduce broadly defined security threats to Canada. Bill C-59 will also revise the Criminal Code, and clarify what is considered as a terrorist act and what constitutes terrorist propaganda. Any writing, sign, visible representation or audio recording that counsels the commission of a terrorism

offence, other than under section 83.221 of the Criminal Code, would constitute terrorist propaganda (Bill C-59 2017, 130). By narrowing the scope of what constitutes terrorism propaganda, the proposed legislation will restrict the actions of security agencies, leading to greater accountability without infringing on political liberties.

CRV in Canada: From Fragmentation to Coordination?

The CCCEPV has been created to support local resilience against violent extremism. Long announced, the CCCEPV aims to collaborate "with partners from a variety of sectors from all levels of governments, not-for-profit organizations, academia, law enforcement and international partners" (Public Safety Canada 2017). It is therefore, important for the CRV landscape in Canada for the CCCEPV to encourage collaboration between CRV bodies, and facilitate trust building with local communities, who are often wary of the "hard" security approaches of law enforcement agencies. Transparency and accountability, through engagement with civil society actors and local actors, not only during the implementation but also in the design of the program, is essential.

The CCCEPV has four key objectives. The first is to establish a National Strategy on Countering Radicalization to Violence (Public Safety Canada 2017). It is important that this strategy identify a single definition for radicalization to violence, which will capture the nature of the phenomenon without infringing on freedom of expression. The second objective is to cooperate with international partners on evaluation approaches to CRV (ibid.). Canada can take a leading role in this area by encouraging independent evaluation of government-led CRV initiatives by experts from academia and civil society. The third objective of establishing a multi-sectoral intervention will help eliminate communication barriers between CRV agencies and departments (ibid.). Lastly, the CCCEPV aims to manage the flow of returnees, or "foreign fighters," in Canada (ibid.).

Privacy concerns were central to the compartmentalization of the activities of CSIS and the RCMP, and the new CCCEPV office must reflect these concerns in its activities by encouraging transparency and accountability. It is vital that federal and local initiatives collaborate and do so in a manner that seeks to build trust and establish lasting relationships between all the stakeholders. Through its emphasis on working with local stakeholders and supporting

local approaches to CRV, the CCCEPV could take a leading role, building trust and reinforcing existing networks linking local actors (community centres, education, health services), and research-policy circles. This is bound to be a long-term incremental process, but must be supported by the federal government, in order to develop local ownership of CRV approaches.

Minister of Foreign Affairs Chrystia Freeland has stated that "Canada is committed to becoming a world leader in counter-radicalization." (Kilpatrick, 2017). This is, however, impossible without cooperation and coordination among government players in the CRV field, and between government agencies and local community bodies. It is imperative to coordinate procedures locally and nationally, and to integrate "global best practices into domestic, community-based approaches" (Connolly 2017). As technological advancements continue, cyberspace will become paramount to countering violent extremism. If policies do not adapt to the technological advancements utilized by organizations such as Daesh, CRV efforts in Canada will be rendered ineffective.

Importance of Cyber-focused Strategies

With the development of digital technologies, cyberspace has become a key medium in the process of radicalization to violence. The 2016 Public Report on the Terrorist Threat to Canada identified "advancements in technology," including digital technologies and online communications, as an emerging issue in the current counter-terrorism discourse (Public Safety Canada 2016c). The Internet has played a key role in the radicalization of individuals and in planning of the foiled 2006 terrorism plot by the group commonly known as the "Toronto 18" in southern Ontario. The Toronto 18 demonstrated the need for officials to consider the role of cyberspace in radicalization and domestic counter-terrorism (Dube Cook 2006).

The elusive nature of cyberspace constitutes a challenge to national services engaging in countering violent extremism. Individuals on the path to/from radicalization to violence can evade detection from community responders and security services. Canada does not have an effective approach to blocking online pathways despite acknowledging the importance of lone actors online (Public Safety Canada 2016c). The CRV programs by CSIS and the RCMP show that they do not dichotomize

between online and offline pathways to radicalization (Gill et al. 2015).

Law enforcement agencies, engaged in countering radicalization to violence, examine the roles online social interaction and online propaganda play in the radicalization process. The Canadian Cyber Incident Response Centre operates in unison with private and public sectors to strengthen cyber systems as cyberspace is increasingly used as a tool for radicalization (Public Safety Canada 2016a). Youth tend to be the most targeted by terrorist organizations through propaganda and recruitment online (Wright 2008; Awan 2012; Selim 2016; Greenberg 2016; Cohen 2016). Organizations such as Daesh use online applications and social media to target youth, as it is the younger generation's comprehension and frequent use of the platforms that makes them more vulnerable to violent extremism (Greenberg 2016). Activist groups increasingly use websites, chat rooms and social media as important mediums for propaganda and recruitment, and Canada's disruptive counter-narratives are not keeping up with these developments (Tupper 2014). Counter-radicalization initiatives should be focused on engaging this online activity — especially recruitment, propaganda dissemination and mobilization to violence — by violent extremist groups. The Canadian government must incorporate cyber security CRV initiatives in the mandate of the CCCEPV.

Recommendations for the CCCEPV

Work with all stakeholders on a uniform definition of violent extremism and radicalization to violence the National Strategy on Countering Radicalization to Violence. It is important that the definition covers the scope of violent extremism, from hate speech to terrorist attacks, without transgressing on rights guaranteed by the Charter, such as freedom of speech. Emphasis should be on the rhetoric promoting violence and the actions of individuals and groups.

Incorporate cyber security initiatives in the National Strategy on Countering Radicalization to Violence. Canada's cyber security policies are focused on remote threats to critical infrastructure in the country. The cyber security policies from 2010 do not adequately address online radicalization to violence. Current CRV policies do not address the impact of cyberspace on radicalization to violence. The CCCEPV must incorporate a strategy

against online radicalization to violent extremism that will include "hard" *and* "soft" measures to improve collaboration between governmental intelligence and policing agencies. This can be done through counter-narratives and community engagement initiatives, offering support for at-risk individuals, to encourage greater involvement in the community.

The CCEPV should be included in the list of organizations reviewed by the National Security and Intelligence Review Agency. It should be under review since it will be interacting with local communities, implementing the National Strategy on Countering Radicalization to Violence, managing returning extremist travelers and working with international partners on evaluation approaches. The National Security and Intelligence Review Agency can ensure that complaints against the centre are addressed.

Work on, and propose, effective methods to evaluate CRV initiatives. Evaluating the impact of CRV initiatives has continuously been a challenge given the rapidly changing nature of the phenomenon in the world (Hlatky and Ibrahim 2017, 3). The scope of actors involved in CRV is large, and they do not necessarily have the same perspectives or definitions on CRV. Evaluating CRV initiatives should be done sectorally but also comprehensively. Qualitative evaluation methods should be conducted to establish the most effective counter-narratives and forms of communication for specific at-risk groups. Quantitative research methods should also be utilized to assess the impact of policies over time. Random Forests is a unique research tool that uses mining and machine learning to predict irregular events. This evaluation tool could be used to evaluate the effectiveness of CRV initiatives to prevent violent events from occurring. Specifically, these should engage methods that help to predict irregular events to evaluate the effectiveness of CRV initiatives to prevent violent events. Random Forests is a unique research tool that could be utilized by the CCEPV as an evaluation tool and should be further explored.

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Engaging with Asia

Revisiting Track Two Diplomacy in the Asia Pacific

Andrew Kay and Keira Koroma

Issue

Upon his election, Prime Minister Justin Trudeau proclaimed that "Canada is back," a statement welcomed by countries of the Asia-Pacific, where Canada used to be an active partner on security, economic, social, cultural and humanitarian issues. Yet Canada has yet to fully re-engage, a fact noticed and lamented in the region. This brief outlines a strategy for Canada's re-engagement that can both serve Canada's interests and promote peace and stability in the Asia-Pacific.

Introduction

Canada has numerous stakes and interests in the Asia-Pacific region, which include regional security, further economic ties, and building stronger partnerships and relationships. Recently, the region's security has become a more prominent concern due to issues that include the North Korean nuclear threat and disputes in the South China Sea. Given the increasing importance of the region to Canada, we propose an engagement strategy that offers Canada an opportunity to increase its relevance, profile and soft power at relatively little risk and cost. We recommend a track two approach for Canada to play an important role in bridging the empathy gaps (mutual misunderstandings of the other's position) between countries in this region, using the Comfort Women dispute between South Korea and Japan to illustrate this possibility.

This brief continues previous work at CIGI and the BSIA that has identified areas in the Asia-Pacific where misunderstanding or empathy gaps and "low grade communication" have increased the likelihood of conflict.

Furthermore, this brief identifies tendencies of countries in this region to overestimate threats due to misjudgment, misperception and miscommunication. The proposed track two strategy attempts to provide a way for Canada to identify and be a useful third party to facilitate discussions that would resolve some of the miscommunication and misperception in the region.

Canada's Historical Track Two Efforts

Track two diplomacy refers to dialogues by non-governmental officials (with close ties to respective governments) from two antagonistic parties, facilitated by an impartial third party, where innovative solutions are discussed to resolve policy related issues (Jones 2015). Canada has historically been at the forefront of track two initiatives within the Asia-Pacific region. Examples include initiating The North Pacific Cooperative Security Dialogue and participating in the Asia-Pacific Economic Cooperation business advisory council. From 1990 to 2006, Canadian scholars were heavily involved in several Asia-Pacific political security dialogues, such as the Pacific Economic Cooperation Council and the Council for Security Cooperation in Asia Pacific (CSCAP). Canada has previously also contributed to the region through its advocacy of human security and multilateralism. Between 1990 and 2005, the Canadian government spent approximately CDN$1 million per year on Asia-Pacific track two activities (Evans 2009). Government funding subsequently declined and the track two engagements Canada could maintain depended almost entirely on private institutions. A lack of sustained commitment and

funding has fundamentally reduced Canada's leverage in track two diplomacy within the region. In Asia, track two remains a key "community-building" component (ibid.) that Canada should re-engage to further its foreign policy goals.

Canada's Position to Engage in Track Two Initiatives

One potential opportunity where track two could be useful in the Asia-Pacific region is the Comfort Women dispute between Japan and South Korea (see Box 1). There are three reasons why Canada is well-positioned to play a facilitative role addressing regional challenges of this nature. First, Canada's established reputation as an impartial peacekeeper allows it to forge a dialogue based on Canadian core values of "cooperative security" (Evans 2009). Second, Canada's history in track two gives it a competitive advantage over other countries who have more recently attempted this kind of work. Paul Evans (2009) writes that Canada has had "flashes of a special skill in formulating and disseminating ideas in a way that maximized their regional receptivity and impact." Furthermore, Evans notes that only a few countries are more effective than Canada at "building a platform for sustained and constructive interaction between the research and policy communities" (ibid.). An important aspect to build this platform on is connections, and due to Canada's immigrant community, there are more opportunities to develop connections to both Japan and South Korea domestically (Jones 2008). Lastly, the work already done within Canada to identify empathy gaps gives a natural starting point for launching track two initiatives. Empathy gaps, according to James Manicom (2014), are "a mutual misperception or misunderstanding of another's wants, needs, fears, interests, judgments and perceptions." For example, regarding the Comfort Women dispute, South Korea believes that Japan wants to deny the issue and refuse responsibility, while Japan believes that South Korea wants to exploit the issue for political purposes. An understanding of the importance of empathy would serve facilitators well in the track two process. Peter Jones (2008) writes that an important part of the third-party role is to "invite the participants to probe the meaning of what they are saying, particularly when they are using what they regard as obvious phrases or buzzwords to convey meanings which may not be properly understood by the other side due to linguistic or cultural barriers." These

advantages place Canada in a unique role to re-establish its track two presence in the Asia-Pacific; however, there are also areas to improve upon from previous attempts.

Historically Canadian track two initiatives have also had weaknesses that severely damaged its title of the "unsung hero" of track two (Evans 2009), including initiating activities and then not following through, and subsequent administrations' shifting priorities and erratic funding. The overall lack of consistency has been read within Asia-Pacific as a lack of commitment to track two and the region. There is also a concern that a group of "usual suspects" have dominated this practice and there is a lack of diversity in who has practiced track two (ibid.). The flexibility required of track two activities and a lasting commitment are needed to facilitate the layers of contention between both states, as represented through the Comfort Women dispute. This issue is just one instance in which Canadian track two initiatives would benefit the stability of the region.

Another is the ongoing tension over the South China Sea. Previously, Canadian Law of the Sea experts were closely involved in facilitating the matter and jointly led a decade's worth of engagement with Indonesia. However, after governmental funding incrementally decreased such activity stagnated. Track two diplomacy requires sustained expert engagement to have a lasting measure of success. Canada's history as a leading advocate of track two remains celebrated in the Asia-Pacific region, but its lack of commitment has marred its place as a leading player of this diplomacy. Canada's desire to further its presence and influence in the region can best be accomplished through reigniting its application to track two in the Asia-Pacific.

Track Two Considerations

Policy Transfer

One of the main criticisms of track two within the literature is that there is little evidence to show how these unofficial dialogues translate into policy. For instance, David Capie (2010) writes that "most accounts of Track Two gloss over the causal aspect of ideational influence." However, in the same article, he notes that structural opportunity, sound ideas and influential proponents could potentially lead to impactful track two interventions, but argues that these conditions have become rarer in recent years (ibid.). Canada should not disengage from track two simply because the ideal conditions are becoming less

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Box 1: Japan and South Korea — Comfort Women Dispute

Key chronology:

• December 2015: final and irreversible deal between both countries is reached

• December 2016: an effigy symbolizing Comfort Women is raised in Seoul

• January 2017: the Japanese ambassador to South Korea and the Japanese consul general in Busan is re-called

Recent developments:

• Moon Jae-in is elected president of the Republic of Korea and publicly states the 2015 deal needs to be renegotiated

• Increased North Korean nuclear threat, requires consistent information sharing by Japan and South Korea

• United Nations Committee on the Elimination of All Forms of Discrimination against Women recommends that the deal be restructured to fully consider the victims

Importance of Japan and South Korea relationship:

• Beneficial allies in the region, tensions present significant opportunity costs for regional stability
- Example: information sharing on North Korea nuclear program

Empathy gaps:

• Japan viewpoint: South Korea wants to exploit issue for political purposes

• South Korea viewpoint: Japan wants to deny the issue and refuse responsibility

• Japan's "distortion of its imperial past and glorification of its modern history" tied with its previous occupation of Korea has led to tensions; the Comfort Women dispute is a part of this larger history (Choi and Kim 2015, 34).

likely; instead there should be consistent effort to ensure the approach is warranted.

The Comfort Women issue presents the conditions that Capie argues are necessary for effective track two policy transfer. The structural opportunity, which is when actors are looking for new ideas and proposals, can be seen in recent comments by Moon Jae-in who wants to re-address the issue and find an acceptable solution for those in South Korea. The sound ideas have been addressed in this brief, using the concept of empathy to resolve issues of mistrust and miscommunication that could prove useful. Canada can also serve as the influential proponents in this case due to their long history in the region with track two initiatives.

Policy transfer with track two can be difficult to produce; however, identifying the proper timing for this intervention

is crucial. Beyond Capie's conditions, William Zartman (2000) uses the concept of "ripeness", which refers to a situation where states are in a "hurting stalemate" and the possibility of a negotiated solution is perceived by both parties. The theory states that if a situation is "ripe", that an intervention is more likely to be successful (Zartman, 2000). Beyond ripeness, it is imperative for policy transfer that the unofficial individuals involved from the antagonistic countries have close ties to the official policy circles (Jones 2015). Policy transfer in track two, according to Capie, is also becoming more likely in single issue disputes between two countries, as opposed to being done on a regional basis (Capie 2010).

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Government Support of Non-governmental Activities

One of the tensions with track two initiatives is the relationship between non-officials taking part in the process and officials in government who are supporting the initiative. This relationship is of importance when it comes to funding, there is some debate over whether officials in government should be involved. For example, C. R. Mitchell and M. Banks (1996) do not think that government money for these activities should ever be accepted. However, governmental funding is seen to be more acceptable when it is given without conditions and the government is not managing the project itself, rather playing a supporting role.

Dialogue not Debate

Track two activities are workshops that allow parties to step back from their differing opinions and engage in dialogue, allowing for alternative suggestions to be jointly developed. Third-party actors must ensure meetings do not descend into debates of official standpoints to ensure empathic discussion is maintained.

"Quiet" Discussion is Required

Although not held in secret for participants to engage in more open discussion, workshops apply Chatham House Rules. Jones suggests that the application of the Rules allows for participants to engage in ideas that would not have been possible within official processes.

Policy Recommendations

Global Affairs Canada should play a supportive role in track two initiatives by providing basic funding. One of the main challenges for consistent initiatives in Canada is securing sustained financial support. The federal funding for track two has not been sufficient since 2005, any work done in this space since has been due to funds provided by the philanthropic community (Evans 2009). Therefore, Global Affairs Canada could make a commitment to this process by engaging in partnerships with willing participants to fund track two initiatives. Historically, the costs associated with track two have been small, averaging around CDN$1 million per year. As previously mentioned, the funding should be done in a way that respects the independence of those involved in the process, conditions imposed on funding are likely to have detrimental impacts

on the process. To ensure long-term funding, a lump sum of money could be allocated for a set number of years. This would institutionalize the funding approach and ensure it would not be vulnerable to cuts.

Global Affairs Canada should provide training for a successful track two approach in the Asia-Pacific that would allow initiatives to stay flexible and spontaneous, while providing potential guidelines for best practices. Given that track two is not new to Canada, previous practitioners and academics who have participated could be approached to share their experience and provide strategies with the community that would be involved. Jones notes that training could include activities such as courses and supervision for graduate students that exhibit interest in track two, comprehensive study of previous track two initiatives, and creation of a centre that could bring together relevant actors and to launch potential projects (2008). Heidi Burgess and Guy Burgess suggest training could teach important skills, including analyzing conflicts, understanding relationships, assessing benefits and costs of approaches, and the ability to implement chosen approaches (2010).

Canada should strengthen partnerships and join existing cooperative initiatives in the region to develop a larger community for this work. One connection that should be re-established is Canada's membership in Council for Security Cooperation in the Asia Pacific. Canada was a founding member in 1993; however, without governmental funding, private contributions were unable to maintain the resource. Beyond cooperation initiatives in the Asia-Pacific, a prominent aspect of track two is to have strong connections between practitioners, potential external benefactors and the government (Jones 2008). While an existing community does exist in Canada, expanding the pool of qualified candidates to engage in this work is necessary to avoid the work being dominated by the "usual suspects." A potential avenue to increase the community of track two practitioners would be to invite interested masters and Ph.D. students to Ottawa for information sessions and training, which could involve the established practitioners sharing their experiences.

A proactive approach to developing Canada's track two capabilities would require scanning for opportunities in the Asia-Pacific where this approach could be useful. The literature on track two and other peace resolution processes notes that timing is an important aspect. Zartman's theory

of ripeness — which states that "if the two parties to a conflict (a) perceive themselves to be in a hurting stalemate and (b) perceive the possibility of a negotiated solution (a way out), the conflict is ripe for resolution" — can be useful to identify opportunities for Canada (2000). In the Comfort Women dispute, recent reports have shown a willingness to engage, and a possibility that the stalemate could mean worse consequences for both Japan and South Korea. Therefore, this situation could be moving toward a stage where both sides would seek a resolution. Consequently, while the Comfort Women issue presents one opportunity for track two to be effective, attempts to scan the region for other issues that may benefit from this approach would serve as an effective way for Canada to be re-engaged in the region long term.

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Canadian Engagement in Southeast Asia: Non-traditional Security Cooperation in the South China Sea

Morgan Davies, Hanyu Huang and Sebastian Murdoch-Gibson

Issue

To increase the Canadian profile in Southeast Asia and further pursue its interests in the region, Canada should act to build confidence between claimant states in the South China Sea by leveraging its expertise in non-traditional security issues, maintaining its clear and non-confrontational diplomatic position, and pursuing political engagement with the Association of Southeast Asian Nations (ASEAN). Canada can engage in capacity building regarding fish stocks management and aquaculture.

Current Status

Canada has taken notable actions regarding the South China Sea:

- It released a statement regarding the results of the China-Philippines arbitration case in July 2016, affirming the international rules-based order and requesting that states refrain from any actions that could undermine peace and stability in the region (Government of Canada 2016).

- As part of the Group of Seven (G7), Canada reaffirmed the importance of rules-based order in the South China Sea and emphasized that the China-Philippines arbitration case can be a useful basis for peaceful resolution of disputes (G7 Information Centre 2017).

- It deployed Canadian vessels in the Asia-Pacific to carry out interoperability exercises, to improve relations and to illustrate the Canadian commitment to regional security (Government of Canada 2017a).

The future of the region remains unclear. The Philippines appears to be distancing itself from the United States in favour of closer ties with China. What is certain is that the United States will continue freedom-of-navigation operations in the disputed waters. There has been no significant push among any of the claimant states to resolve the territorial disputes; however, ASEAN and China have recently been cooperating on a code of conduct that finds its roots in the 2002 Declaration on the Conduct of Parties in the South China Sea, indicating a desire for stability by all parties.

Background

The South China Sea territorial disputes are among China, Taiwan, the Philippines, Malaysia, Brunei and Vietnam. The disputes centre on the various maritime features of the Paracels and the Spratlys. Sovereignty over this territory means access to the rich natural resources found in the region, one of the most important being fisheries.

Canada and Southeast Asia

Canada is currently focused on engagement in Southeast Asia:

- Economic engagement: Global Affairs Canada (2017) has set the ambitious target of doubling Canadian trade with ASEAN by 2020. The region's fast-growing economies have been proposed as a vital market for Canada to expand in and diversify its trade with.

- Political engagement: Canada has identified that it seeks to gain membership to the East Asia Summit and the ASEAN Defence Ministers Meeting Plus (ADMM+) (Government of Canada 2017b).

Political engagement efforts have been unsuccessful because of Canada's perceived lack of commitment to the region. The former secretary general of ASEAN, Surin Pitsuwan, said the following about Canada's rejection from the East Asian Summit: "The goodwill is there. The name is there. But you don't see the sustained effort of trying to project it out" (quoted in Kawasaki 2016, 225).

Canada's lack of engagement with the region partly stems from concerns that engagement would lead to involvement in the ongoing, nationalistically charged territorial/maritime border disputes; however, this risk can be minimized as long as Canada does not take a side on the issue of territorial sovereignty. All claimant states have indicated that they are open to cooperation within the South China Sea on non-territorial sovereignty matters, as evidenced by recent statements issued in 2017 by both China and ASEAN on regional cooperation to enhance regional stability, as well as by collaboration on projects such as the Joint Marine Seismic Undertaking and the UNEP-Global Environment Facility South China Sea Project (State Council 2017; ASEAN Secretariat 2017; Vo, Pernetta and Paterson 2013).

Canadian engagement in the South China Sea is not without precedent in Canadian foreign policy. It was Canada that proposed the non-specification of the designation of territories following World War II, which, in part, led to the current confusion over which states own which features (Hara 2015, 12). In addition, Canada sponsored a set of Indonesian-led workshops on the South China Sea in the 1990s. These workshops — the only sessions which brought all claimant states to the table for the South China Sea-related discussion — focused on a wide range of regional issues, including:

- territorial and jurisdictional issues;

- political and security issues;

- environmental, ecology and marine scientific research issues;

- shipping, navigation and communication issues;

- resources management; and

- institutional mechanisms for cooperation.

It should be noted that Canadian sponsorship was well-received by China, which viewed Canada as an uninvolved third party to the disputes, in contrast to the potential for sponsorship from the United States or Japan (Snyder 2001, 13; Djalal 2001, 99).

Engagement with ASEAN

Canadian initiatives aimed at improving security in the region should be conducted under ASEAN's auspices. ASEAN is Southeast Asia's primary multilateral institution, but more importantly, the principle of ASEAN centrality in the region's affairs is acknowledged by all states in the region (Goh 2008, 112–26). This fact mitigates the potential misinterpretation by some of the region's states of Canadian actions in a highly sensitive regional matter as biased or interventionist.

Another benefit of conducting initiatives under the ASEAN auspices is that ASEAN defines security more broadly than the conventional understanding of the term. The *ASEAN Political-Security Community Blueprint 2025* states that in addition to the traditional concept of national security, ASEAN also strives to build an inclusive community that is rules-based, but built on trust between the peoples and leaders of ASEAN member states (ASEAN Secretariat 2016). Evidently, trust is a major factor in creating and maintaining stability in Southeast Asia.

Furthermore, ASEAN publications call for the "upgrading" of ASEAN from a mere trust-building institution into one carrying out more ambitious projects, such as implementing preventive diplomacy and conflict resolution (Seng et al., n.d.), and ultimately evolving into a genuine security community where the use of force becomes unthinkable, as in the European Union (Acharya 2001, 6-7). The so-called "ASEAN way" aims to bolster

trust among the region's states to maintain stability and to realize peaceful development and regional integration. This focus on non-traditional security by ASEAN provides Canada an opening through which it can engage Southeast Asian states and pursue its aims of raising Canada's profile and increasing its trade in the region.

To help consolidate ASEAN integration and achieve its goals of a rules-based community of shared norms, ASEAN has officially placed heavy emphasis on informal and track two processes, as evidenced by statements in official documents such as the *ASEAN Political–Security Community Blueprint 2025* and institutions such as the ASEAN-Institution of Strategic and International Studies Forum and the Council for Security Cooperation in the Asia-Pacific.

Resource Management Capacity Building

Resource extraction is a major issue driving tensions in the region. Southeast Asian states have expressed in clear terms their concern about the state of the South China Sea fisheries, which — lacking effective governance — are now facing imminent collapse (this point is seldom laid out in such stark terms but is the unstated conclusion of many recent discussions of ecosystem health in the South China Sea). A more cooperative, inclusive and sustainable way of managing the region's maritime resources, primarily fish stocks, needs to be found to lower tensions, maintain economic stability and avoid further conflict in the region.

The populations of states around the South China Sea are heavily dependent on protein from fish and other maritime foods. The South China Sea fisheries provide 28 percent of the annual protein intake for the population of 270 million people that live on its coasts (McManus 2017). A collapse of this natural resource on the scale of the 1992 North Atlantic cod collapse would have wide-ranging and unpredictable consequences for regional security (Parks, Mrakovcich and LaMonica 2016). This outcome is portended by increasing absolute yields in the South China Sea, coupled with declining catch per unit of effort rates and ongoing losses of vital habitats such as reef coral, seagrasses and mangrove forests (Rosenberg 2009, 61–63).

Efforts at managing the South China Sea fisheries have been hampered by jurisdictional ambiguity arising from the territorial disputes and by problems of coordination. However, parties have shown — by their participation in the 2005 UNEP-Global Environment Facility South

China Sea project — that they are open to multiparty efforts to coordinate environmental policies. Littoral states' massive recent investments in aquaculture have also mitigated the strain on the fisheries and reduced the parties' exposure to fluctuations in available capture stocks. Littoral states' aquaculture output now doubles capture fishery production, having overtaken the latter only in 2009 (Food and Agriculture Organization, n.d.). It seems that there are two promising avenues for the mitigation of food security risks in the South China Sea:

- **Coordination of national fisheries management policies:** Because the South China Sea ecosystem straddles disputed international boundaries, it necessitates management coordination through a regional fisheries management organization. Canada can contribute to the coordination of national fisheries management policies via its membership in the West and Central Pacific Fisheries Commission. China, the Philippines, Taiwan and Vietnam are all present at the commission.

- **Development of aquaculture capacity:** States in the region appear to be undertaking a massive transition away from capture fisheries and towards aquaculture. The Food and Agriculture Organization's statistics show that South China Sea littoral states' aquaculture yields are experiencing exponential growth; there is sufficient reason to believe that ASEAN member states, in particular, can appreciate the security utility of mitigating reliance on South China Sea capture fisheries. Canadian assistance in this area could demonstrate a level of investment in regional security to skeptical members of the ASEAN group.

Recommendations

Maintain a clear but non-confrontational diplomatic position. Canada's diplomatic position regarding the South China Sea has consistently upheld the importance of rules-based maritime order and criticized actions that heighten tensions, all while not "naming and shaming" any specific country. This position should be maintained because it allows Canada to keep a similar stance to its allies', while also being perceived as an impartial third party. In this way, Canada can seek to increase its standing within the Asia-Pacific while reducing the risk of alienating any parties to the dispute.

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Engage politically with ASEAN through assistance in building the ASEAN community. Canada can assist ASEAN's political process through contributing resources and expertise to the goals outlined in ASEAN's 2025 blueprint. Areas where Canada can assist, while advancing its own interests, include sponsoring workshops — as Canada did in the 1990s — that identify and promote best practices in areas such as governance and the rule of law, identified in ASEAN blueprint.

Canada can contribute expertise to the Military Readies Group, which ASEAN is attempting to create as part of its High Availability Disaster Recovery response group, and to training missions for ASEAN peacekeepers, an area in which ASEAN has shown particular interest. Canada can use these initiatives as stepping stones to its regional interests, such as joining ADMM+. Current Canadian operations in the region are an important first step in pursuing this.

Engage in capacity building with regional actors regarding fish stocks management and aquaculture. Effective resource management is crucial for stemming further conflict in the region and improving regional awareness of Canadian commitment. Given ASEAN's acknowledgement of the role of aquaculture in building regional food security, Canada can further contribute to the stability of living resources in the South China Sea by targeting international aid and investment toward the development of aquaculture capacity. A Canadian contribution of this nature would be received as assistance in mitigating an apolitical and transboundary security threat.

Canada can further contribute to mitigating resource conflict through coordination of national fisheries management policies via its membership in the West and Central Pacific Fisheries Commission. If Vietnam can be persuaded to expand its involvement from "cooperating non-member" to full membership, the commission could be a forum for policy coordination by all of the most significant South China Sea claimant states, as well as a mechanism for the execution of shared monitoring control and surveillance operations. Such cooperation between Canada and regional states would allow Canada to demonstrate continued commitment to the region's welfare while avoiding controversial initiatives that might lead to the diplomatic dilemma of being forced to choose sides.

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China's Belt and Road Initiative: Harnessing Opportunities for Canada

Michael Fleet

Issue

The Chinese Belt and Road Initiative (BRI) is an opportunity for Canada to become further engaged economically and politically in Asia. This brief recommends that the Canadian government become active in opening access for Canadian businesses to obtain contracts in the BRI.

Introduction

The Chinese-led BRI represents both a challenge and opportunity for countries looking to engage in Asia. It is an attempt to centralize China as the primary economic hub by directly connecting China, Eurasia and Europe together, while attaining key resources for the Chinese economy. Economic trends over the next 50 years are predicted to be strongly in favour of rapid growth in Asia, with China, India and Indonesia likely to emerge as three of the top five global economies (Hawksworth and Chan 2015). As Canada looks toward China and India for closer economic partnerships, the BRI is a timely opportunity for Canada to increase its own economic and political presence in the region.

What is the BRI?

The BRI is a loose term that refers to China's two infrastructure initiatives: one on land (The Silk Road Economic Belt) and the other a maritime route (The 21st-Century Maritime Silk Road). The plan for the BRI would connect 60 percent of the world's population through infrastructure, and connect a collective GDP of 33 percent of the world's wealth (Ge, Christie and Astle 2015).

To help finance this initiative, the Chinese government has established the Asian Infrastructure Investment Bank (AIIB) and the Silk Road Fund (ibid.). This initiative's substantial infrastructural requirements will be supported by the General Administration of Customs; Administration of Quality Supervision, Inspection, and Quarantine; the Ministry of Commerce; and the Ministry of Transport. They have all worked to integrate customs clearances, develop infrastructure lines across networks and integrate investment cooperation (ibid.).

The projects themselves can be seen as meaning to accomplish five Chinese objectives:

- strengthen Chinese ties along the regions they touch and counter the US "pivot to Asia" policy;

- secure access to essential goods necessary for Chinese economic growth, such as oil;

- offset domestic demand by Chinese companies for the means to deal with the overcapacity of steel and cement;

- offset the US$1.7 trillion per year Asian infrastructure gap to maintain future economic growth (Asian Development Bank 2017) and market interconnectivity; and

- develop Xinjiang to pacify local dissidents, such as Uighur groups[1] defecting against the Chinese government, and

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1   The Uighars are a Turkic ethnic group in Xinjiang who are predominantly Muslim, and of whom some engage in separatism for their own territory. While no group is homogenous, some of the Uighars engage in violent resistance and terrorism to push their cause.

use infrastructure development to encourage political stability in peripheral states.

Other benefits for China include: establishing connective infrastructure to facilitate trade, encouraging China's renminbi currency as a preferred currency for international trade, and prompting policy homogenization and coordination across BRI states.

The BRI project involves six major initiatives, or economic corridors, under its current land-based projects, as illustrated in Table 1.

Table 1: Initiatives of the BRI

New Eurasian Land Bridge	A planned railway corridor from the Chinese port of Lianyungang, which will traverse through Mongolia and Kazakhstan before moving through Russia, Poland and Germany.
China–Mongolia–Russia Corridor	China–Central Asia Pipeline (Line D): A natural gas pipeline moving over Kyrgyzstan and Tajikistan, paralleling lines A/B/C, which flow through Turkmenistan, Uzbekistan and Kazakhstan.
China–Central Asia–West Asia Corridor	An infrastructure corridor to move from the China–Kazakhstan railway from Kazakhstan through Uzbekistan, Turkmenistan and Iran.
China–Pakistan Economic Corridor	Links Kashgar in Xinjiang to Gwadar port in Pakistan, bypassing the Strait of Malacca and allowing Chinese access to oil from the Middle East. Mainly involves oil pipelines, transport and energy infrastructure, and energy production plants.
Bangladesh–China–India–Myanmar Corridor	Connects China to India, with a cooperative mechanism established to develop railway production, industrial development and professional training.
China–Indochina Peninsula Corridor	Links the Pearl River Delta Economic Circle with Cambodia, Laos, Myanmar, Thailand and Vietnam. Parallels the objectives of the Greater Mekong Subr-Region, and economic region, formed by the Asian Development Bank.

Source: Adapted from Cooley (2016); Ge, Christie and Astle (2015).

BRI projects (including the maritime projects) involve around 65 countries, with official figures stating 900 future deals worth US$890 billion, and with China stating (without a timeline) that it will invest US$4 trillion in BRI countries (*The Economist* 2016). At its core, the BRI aims to tighten supply chains, lower the overall costs of transporting goods and connect China to larger global markets. It also develops maritime routes to further connect China to other parts of the globe and to secure alternative means of oil energy access and commercial activity between Chinese and European markets.

Reshaping Geopolitics?

BRI is a geopolitical move that allows China to emerge as the regional hegemon. First, the maritime strategy essentially encircles India; second, the BRI gives China access to critical energy resources in central Asia; and third, the BRI increases Chinese influence in host countries, primarily in Eurasia.

To highlight the ramifications of BRI, other states (namely India, Japan and Russia) are reacting with their own strategic investments.

- **India** is increasing its investments in Afghanistan, while furthering its military investments — specifically in naval capacity — and is continuing to implement its "Act East" policy. In reaction to the Gwadar port investments, India has invested heavily in the Iranian port in Chabahar, along with Russia.

- **Japan** is maintaining its own infrastructure development plans through its "Partnership for Quality Infrastructure" initiative.

- **Russia** is continuing to invest in Central Asia, even though its oil company Gazprom has been displaced by the China National Petroleum Corporation as the region's major gas exporter. With the BRI, Russia is receiving infrastructure investments, while also hoping to get Chinese recognition of the Russian-led Eurasian Economic Union project.

Potential Opportunities for Canada?

In a survey by the Canada China Business Council, 74 percent of respondents were aware of the BRI, and 44 percent of respondents see opportunities available for them

within the BRI (Kutulakos et al. 2017, 41). This same survey outlines respondent-identified opportunities with the BRI, including:

- "Using Chinese distribution network to spread Canadian products through Chinese hubs.

- Explore opportunities in Northwestern part of China where Canadian products still have large room to grow from agriculture technologies to clean energy.

- It might help decrease the fees related to exporting [Canadian] products.

- Cross-border investment work between China and other [BRI] countries.

- Infrastructure

- Technology

- Services

- [Canada is] a provider of minerals and products that will be essential to construct the One Belt One Road infrastructure.

- More business activities in [British Columbia] with China, as Pacific Gateway of China to North and South Americas.

- Satellite communications networks are key infrastructural elements of their build out.

- Providing specialised technologies and services for infrastructure development.

- Environment protection around the Silk Road area." (ibid.)

Beyond business opportunities, the BRI provides Canada with a means to become better connected economically, as well as politically, through increased interactions with BRI states. As Association of Southeast Asian Nations (ASEAN) states such as Singapore look to increasing their infrastructure capacity through the BRI (BDO Singapore 2015), Canadian infrastructure and engineering expertise can assist in obtaining contracts in the region. Furthermore, several European states, and the European Union (EU) itself, are looking to become potentially involved with various projects with the BRI; as Canada enters into a free trade agreement with the EU,

BRI projects may provide opportunities for Canadian businesses to cooperate with EU businesses. Although the United States is currently Canada's leading trading partner, it is critically important to pay attention to the potential for economic growth in Asia, as it will overtake the United States as the fastest growing centre of global trade. Canada needs to diversify its trading partners and establish its presence in Asia to further connect its economy and relations to other global partners.

Effective policy making can nurture Canadian small- and medium-sized enterprises (SMEs) for global scalability and the BRI opens doors for many Canadian businesses. Through a careful tuning of already existing policies and funds, such as the Innovative Solutions Canada fund and the Venture Capital Action Plan, the Canadian government can work with SMEs to assist with global scalability (Bergen 2017). Examples such as Bombardier Inc.'s announcement in 2016 of building 80 high-speed trains for Turkey, as well as a CDN$100 million technology transfer investment in Turkey's high-speed network, are illustrative of opportunities presented by the BRI (Kirkham 2016). Indeed, Bombardier Inc. is already looking to grow (Lampert 2017), and the increased demand for infrastructure projects within BRI is most opportune.

Canada is currently involved in several economic initiatives in the region: from free trade agreement talks with China and India, to the Asian Development Bank and the AIIB. But beyond its dealings with China, Canada is also interested in advancing its economic goals in Southeast Asia, and involvement in BRI projects could signal Canada's commitment to further relations with ASEAN member states. A key Canadian objective is to become a member of the ASEAN Defence Ministers Meeting plus (ADMM+). The ADMM+ is of Canadian interest as it allows Canada to have a voice in watching how relevant states interact concerning the ruling from The Hague on the South China Sea.

Risks and Challenges of the BRI

Concerning the BRI, there are some risks to the projects themselves, the host states and other parties involved that must be acknowledged, mitigated or avoided. For Canada, there are challenges related to bureaucracy. In the Canada China Business Survey for 2016 (Kutulakos et.al. 2017), the main obstacles to doing business in China

were lengthy and complicated certifications, local content requirements and Chinese customs procedures (ibid., 36). SMEs were hindered by domestic regulations at the local Chinese government level. It was difficult to find the right Chinese partner often due to intense competition. Lengthy and complicated certification procedures, and inadequate financing (ibid., 38), among many other issues related to intellectual property rights, tariffs and poor rule of law in China were also listed as critical concerns.

But apart from the challenges of doing business with Chinese firms, some other risks of participating in BRI projects may include:

- A risk to Canadian investors looking at the possibilities of shortening supply chains for their goods is that it is not clear whether many projects will be completed due to corruption in host states. China expects to lose nearly 80 percent of their investments in Pakistan and 50 percent in Myanmar (Cooley 2016, 10). In addition, China still has not figured out how to use these projects in the most cost-effective way, which, as a result, has not yielded expected economic returns to China. For example, there is still much work to be done to standardize shipping protocols and transport infrastructure, even down to railway width gauge differences between standard width and wide width in ex-Soviet states in Central Asia.

- Many of these projects could be confronted by hostility from local populations due to the politically fragile nature of these states, where the influx of investment and a lack of consultation can exacerbate local governance failures. One such example is in Baluchistan in Pakistan. This can affect the security of the land routes, and their viability of ensuring a secure method of trade. Conversely, as Chinese authorities work with domestic state security forces, this may help promote cooperation and political will to confront domestic state issues, both kinetic and non-kinetic. However, as shown by a report from the China Development Bank and the National Development and Reform Commission, the Chinese government plans on a deep penetration of most economic sectors in states such as Pakistan, with a focus on a heavy Chinese security presence and reform of mining and agriculture sectors (Vanderklippe 2017). This could increase the security of the projects, but could also face backlash from the local populace.

- There are concerns about adherence to sufficient environmental and social standards, although AIIB president Jin Liqun has attempted to reassure that the projects will be "lean, green, and clean" (Johnson, Goodman and Hillman 2017). However, at the Belt and Road Forum, the European Union stepped away from the trade statement made by China, stating that the BRI must ensure better transparency, sustainability, and a fair and clear tendering process (Phillips 2017).

- While Xi Jinping has established a Silk Road Chamber of International Commerce, the BRI lacks a sufficiently centralized management system, which can make coordinating projects more difficult to follow for financial accountability and tendering.

- Indian government officials did not attend the Belt and Road Forum out of protest to China–Pakistan Economic Corridor projects being built on disputed territory in Pakistan, citing concerns of sovereignty (The Wire 2017). Similar concerns could emerge regarding other projects on disputed territory in BRI states, meaning Canadian businesses must be careful to avoid projects in these fractious/conflict-prone territories.

Recommendations

Lobby in the AIIB for a fair tendering process in contracts for Canadian companies with the BRI, as well as push for a more transparent and sustainability aware tendering process.

Encourage Canadian businesses' competitive advantage in fields such as transportation services and its engineering skills in BRI projects, which will allow Canadian companies the business opportunities and access to capital financing from groups such as the AIIB to scale up globally. Canadian initiatives such as the Innovative Solutions Canada fund and the Venture Capital Action Plan can help SMEs grow and gain access to both capital and customers on the global market, with the BRI as a source of projects. Furthermore, by becoming involved in the BRI's early stages, Canadian companies can build relationships to obtain more contracts in the future. Canada should also do a thorough assessment of the vulnerability of its different economic sectors, and learn from its domestic assessments from the current China–Canada free trade agreement.

Integrate BRI business projects with Canadian development aid with entities like the Asian Development Bank in relevant states to develop a supporting role between infrastructure development with the BRI and environmentally sustainable programs, development of the clean energy industry, social infrastructure and maximization of poverty reduction. This approach would also align with Canada's commitment to the Paris Climate Agreement and the United Nations Sustainable Development Goals, an important marker for Canada's objectives in obtaining a Security Council seat in the United Nations.

Establish further connections with relevant states and increased dialogue with China through embassies and missions, as well as through non-governmental organizations and businesses to explore further opportunities with the BRI and establish greater security and risk-evaluation sharing. This will increase people-to-people relations at various levels for increased Canadian presence in the region. As Canada and China expand their economic dialogue, Canada should further its presence with partners in the region through track one and track 1.5 diplomacy.

Geo-strategically, Canada must continue to seek a seat at the ADMM+. By working with the BRI and consulting with relevant states on a political and business level, Canada can begin building stronger relationships with partners in the region to assure its commitment and presence, which will assist in its application to the ADMM+. Here, Canada can lend its voice to the security of the South China Sea while monitoring the precedent-setting rulings of the United Nations Convention on the Law of the Sea, which are important considering the Canadian North and potential legal issues in the future. As arctic ice recedes from climate change, more routes will become accessible. The result will be more shipping moving through these waters in the Canadian north. Being able to watch and promote law-abiding norms for UNCLOS will help to ensure legal passage and rules for these new routes in the Canadian north.

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Canadian Trade Opportunities in the Asia-Pacific: The Regional Comprehensive Economic Partnership Agreement

Jordan Lebold and Kyle Taylor

Issue

Now that the Trans-Pacific Partnership (TPP) trade agreement has stalled, Canada should seek to join the Regional Comprehensive Economic Partnership (RCEP) as an alternative option for Canada's trade strategy in the Asia-Pacific. Given the value of the Asia-Pacific region to the Canadian economy, Canada should expand its economic partnerships in the region, and as part of such a strategy, negotiate to join the RCEP. Through the RCEP and linked opportunities in the region, Canada can enhance its cooperation with emerging markets that are important to growing positive economic outcomes for Canadians.

Background

Canadian Trade and How RCEP Came to Be

The apparent collapse of the TPP with the United States' withdrawal represents a significant setback for Canada, as the TPP was an important instrument for achieving Canada's trade objectives in the Asia-Pacific; however, there remain other opportunities for pursuing regional trade in the Asia-Pacific. Although there are several options for Canada to move forward with its trade agenda, this brief suggests that the most suitable trade opportunity for Canada in the Asia-Pacific is to seek accession into the RCEP agreement.

For Canada, both regional and bilateral free trade agreements (FTAs) are integral to its integration into the greater global economy. Currently, these agreements are mainly focused on North America, Europe and Latin America. Canada has 12 FTAs (with 15 separate economies), and most of the existing FTAs are bilateral agreements with countries from the Americas. Within existing agreements, the Canada-Korea FTA is important since it is Canada's third-largest trading partner in the Asia-Pacific region, and the only FTA which involves one of the RCEP partners. China, Japan, Australia, Indonesia and India are all major economies with which Canada does not have a bilateral FTA, although Canada is in the process of pursuing bilateral agreements with some of these countries.

The Development and Content of RCEP

The RCEP is a regional FTA that aims to reduce barriers to trade in the Asia-Pacific region. Current partners are the 10 member countries of the Association of Southeast Asian Nations (ASEAN) and the six countries with which ASEAN has existing FTAs (known as ASEAN+1 partnerships). These six partners — Australia, China, India, Japan, South Korea, New Zealand — come together for a total of 16 countries that are currently party to the negotiation process. The RCEP participants represent almost 50 percent of the global population, roughly 30 percent of global GDP and over 25 percent of world exports (Government of Australia 2017). ASEAN ranks as Canada's sixth-largest merchandise trading partner (Global Affairs Canada 2016a), while at a country level, RCEP members China, Japan, South Korea and India are

Canada's second-, fifth-, seventh- and eleventh-largest merchandise trading partners, respectively (Statistics Canada 2017).

The RCEP is expected to cover trade in goods and services, investment, economic and technical cooperation, intellectual property, competition, dispute settlement, e-commerce, small and medium-sized enterprises (SMEs) and other issues (ASEAN 2012). However, the "Guiding Principles and Objectives for Negotiating the Regional Comprehensive Economic Partnership" document indicates that it is likely that the RCEP will be a more traditional trade deal in scope and mandate.[1]

The RCEP has only resolved two chapters since negotiations began in 2012 (Government of New Zealand 2016). The sixteenth round of negotiations concluded with agreement on a chapter on SMEs. The first chapter on economic and technical cooperation took 15 rounds of negotiations to conclude. No details on completed or under-negotiation chapters have been released to the public yet.

Accession to the RCEP, before and after conclusion of negotiations, will likely be "as is" without the need for Canada to negotiate the chapters. This is because RCEP negotiations are ostensibly limited to ASEAN and its bilateral trading partners (ASEAN 2012). This should not be seen as a negative, given that resources and capacity would not have to be extensively utilized in order to join the agreement. As demonstrated by the lengthy negotiation phases for the Canada-European Union Comprehensive Economic and Trade Agreement and the TPP, significant resources can be expended only for an agreement to be threatened before it gets to the ratification stage. Moreover, the RCEP is a deal focused primarily on trade issues rather than the multi-dimensional and oft-criticized scope of the TPP. The trade issues that are being negotiated are easier for Canada to solve, as Canada already has lower tariffs and weaker trade barriers than many RCEP members. As a result, the RCEP has the potential to be a deal that Canada could join without major trade-offs, but with significant benefits and on a relatively short time table.

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1   See ASEAN (2012) for the eight guiding principles and objectives, which cover the scope, background and rules that have governed the RCEP negotiations.

Considerations for Canada to Pursue RCEP

Economic Dimensions of Canada's Potential Participation in the RCEP

Joining the RCEP should provide an advantage to Canada as a result of increased market access and greater regional economic integration in the Asia-Pacific region. Among the RCEP's central benefits to Canada is a guarantee of preferential market access to the new FTA partner countries. These new partner countries together represent increased trade opportunities for Canadian exporters, as the RCEP puts Canada in an advantaged position relative to countries that do not have FTAs with RCEP negotiating partners. Additionally, being a party of the RCEP ensures a level playing field with respect to other RCEP competitors in these markets.

One in five Canadian jobs depends on exports (Global Affairs Canada 2016c), so international trade is important not just for the economy but also for Canadians. According to World Bank data, exports of goods and services accounted for 31.6 percent of Canada's GDP (World Bank 2016). Despite this, Canada's trade outside of North America is poorly diversified, as the United States remains Canada's largest trading partner by a wide margin (Statistics Canada 2017). This leaves us vulnerable to shocks directed at or caused by the United States. The RCEP can help us diversify our trade portfolio at the same time as it enhances Canadian economic opportunities by providing Canada with a preferential trade arrangement between more than a dozen important economies.

With tariffs on the relatively high end for several RCEP countries and in important sectors, there is space for liberalization of Canada's trade with RCEP member countries to benefit from the RCEP. For instance, India's simple average MFN applied tariff is 13.40 percent, and Japan's tariffs on frozen and fresh/chilled beef are 38.5 percent (Japan Customs 2017; WTO ITC UNCTAD, 2017). It is likely that the RCEP will reduce tariffs in some areas that will assist Canadian exports to new FTA partners. Similarly, imports from the new FTA partner countries would likely increase, improving consumer choice and potentially lowering costs.

Canada's bilateral trade with RCEP negotiating countries was worth CDN$125 billion in 2016, representing 12

percent of Canada's total bilateral trade and greater than that of total trade with the European Union (Government of Canada 2016). RCEP negotiating countries are also a significant source of both inward and outward stocks of Canadian investment with two-way investment of over CDN$112 billion in 2014 (Statistics Canada 2015a; 2015b). An important component of Canada's trade with RCEP negotiating countries is the growing importance of Canada's services trade. Canada exported approximately CDN$10 billion in services to RCEP negotiating countries in 2015, with service exports to RCEP negotiating countries growing by roughly 60 percent between 2006 and 2015 (Statistics Canada 2016).

For Canada, one of the main attractions of the RCEP is enhanced trade access to emerging markets. Many of the RCEP negotiating countries are wealthy economies, and it is estimated that by 2030, 66 percent of the global middle class will reside in the Asia-Pacific region, and 59 percent of global middle class consumption will come from the Asia-Pacific (Kharas 2010). As emerging market consumers enter the middle class, they could become interested in purchasing goods and services that Canada has to offer.

The key market opportunities for Canada in the RCEP are primarily in negotiating countries where Canada does not have existing FTAs — for example China, India, Japan, Malaysia and Vietnam. Of these countries, increased economic cooperation between Japan and Canada has been a long-standing desire for Canadian businesses in sectors such as automotive, natural resources and agribusiness. For India, the opportunity is to reduce regulations that serve as barriers to foreign trade and investment, roadblocks that Canadian companies in sectors such as financial services, agribusiness and technology cite as hurdles to doing business with India (Goold 2015). In China, competition is actively growing and the RCEP can help a variety of Canadian services remain committed to supporting their Chinese interests (Busza et. al. 2014). Vietnam and Malaysia have the potential to become important markets for Canadian businesses given both countries will witness GDP growth rates of five percent or higher up to 2019 (IMF 2017). Malaysia is one of Canada's most important trade and investment partners in the Asia-Pacific with opportunities existing for Canadian businesses in a variety of sectors, such as agricultural and processed foods. Canadian business opportunities in Vietnam are primarily in agriculture and agri-food products however, the business

environment is still complex for Canadian suppliers, with a burdensome legal and regulatory environment. The RCEP may reduce some of these technical barriers to trade in the Asia-Pacific.

Not only can Canada stand to benefit from RCEP participation, lack of participation may hinder our economic success in the region. According to modelling results by Mohammad Masudur Rahman and Laila Arjuman Ara (2015), if Canada is left outside the RCEP, and all other current RCEP negotiating countries are parties to it and eliminate import tariffs with each other, Canada could experience a fall in real GDP of 0.35 percent if the deal becomes realized. This is equivalent to potential total GDP losses of CDN$7.2 billion (US$ 5.2 billion). This figure exceeds Global Affairs Canada's (2016b) estimates that remaining outside the TPP could lead to total GDP losses of approximately CDN$5.3 billion (US$ 4.2 billion). Surveys addressing Canadian business interests stress increased competition and a desire to stay on a level playing field with foreign firms as some of their most important concerns (Asia-Pacific Foundation 2015). As a result, Canadian exporters would lose out on opportunities to benefit from enhanced market access to the new FTA partner countries under the RCEP. This would put Canada in a disadvantaged position relative to other RCEP competitors in these markets.

Strategic Political Dimensions of Participation in RCEP

The RCEP is as much about international politics as it is about international trade. As global leaders in trade flirt with protectionism, China has the opportunity and space to establish Asia as the leader and center of global trade. International economic integration and globalization will continue in the Asia-Pacific, with or without Canada. Even as parts of the United States and Europe consider retreat from globalization, the Asia-Pacific is pushing globalization and regional integration forward. Not being part of the RCEP agreement not only impacts our economic outcomes in the region, it may hinder Canadian participation in future regional and multilateral initiatives in the region, undermine Canada's soft-power capabilities in the region, and lessen Canada's appeal as one of the world's most important and relevant economies.

The RCEP may help to close the governance gap in the trading regime caused by the inability of the World Trade Organization (WTO) to update the multilateral rules on

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trade and investment for the past 20 years. The RCEP's potential to advance the dissemination of new rules is not only its reach but also its diversity: bringing together countries at very different levels of development. This also means that the RCEP has the potential to be a force for regional integration that promotes peace and security in the Asia-Pacific. China and India are both nuclear powers that are actively asserting greater roles on the global stage. As likely the only North American Trade Agreement member of the RCEP, Canada could help to encourage regional cooperation using the RCEP and economic integration as the platform.

Advantages of Participation in Regional versus Bilateral Agreements with the Same Partners

A problem of the bilateral FTA process is stalled negotiations. Canada-Japan bilateral talks have been pushed aside in favour of regional agreements such as the TPP, and Canada-India talks have had little progress despite an acknowledgement of the benefits and political will to get an agreement (Goold 2015). Canada-China talks have not begun, but there is no way to guarantee smooth or fruitful negotiations. Regional negotiations may help to take the pressure off difficult country-to-country negotiations, and if concluded, can generate an agreement with multiple parties that suffered from stalled negotiations in bilateral talks.

Apart from negotiation struggles, there is a limitation to the effectiveness of bilateral agreements. Bilateral FTAs are an issue because the rules of origin are tailored to each agreement and do not work cohesively with other ones. Aside from the limited resources of the Canadian government to negotiate multiple bilateral agreements, firms that align their sourcing to meet the rules of origin for one bilateral might not meet them for the ensuing bilateral agreements. Moreover, the process of negotiation for bilateral agreements is a lengthy one, and not any more efficient than negotiations with a regional scope. Negotiating the RCEP does not preclude further, more detailed bilateral agreements with relevant countries, but rather supplements relations giving Canada and partner countries a baseline by which to operate and negotiate upon.

By deepening economic activities with countries in the Asia-Pacific region through a regional trade agreement, Canada can also use the RCEP as a supplement to the WTO-based multilateral trading system, given the post-Doha Round's standstill, to ensure fairer treatment for all its potential trading partners, particularly least developed countries in ASEAN.

Canadian Constituencies, Private Sectors' Stakeholders and Popular Opinion

Many Canadian businesses can be counted on to support accession to the RCEP. Studies from the Asia-Pacific Foundation demonstrate an interest in China, Japan and India, while advocacy organizations such as the Canada-ASEAN Business Council (2017) promote increased opportunities with emerging markets. Some specific sectors, whose market in Canada could be threatened by aspects of an international trade agreement, may be less enthusiastic. The Canadian dairy industry, for example, would not be supportive if the RCEP has the potential to harm supply management. To address this sector, Canada should take an approach on dairy similar to that of TPP by protecting the industry.

While many Canadian stakeholders should provide support for participation in the RCEP, there is also a need for caution and attention to specific issues Canadians believe to be important. For example, while a recent China-focused business survey saw 84 percent of surveyed firms express interest in expanding operations in China (Bursza et. al. 2014), Canada's outward stakeholder interests are contrasted with popular opinion towards China. In a 2017 Nanos poll, almost 90 percent of Canadians expressed concern about inward Chinese foreign direct investment in Canada, particularly from state-owned enterprises (Terncer 2017). One poll does not tell the full story, but it does demonstrate that some Canadians associate Chinese investment and trade with negative connotations. In a lengthy bilateral negotiation, these public concerns may prove a hindrance. Through the RCEP, because China is but one of 16 countries, Canada can gain some form of agreement with China, without them becoming the focal point of media attention. Canada can better address concerns if there is already some sort of a preferential trade relationship that Canada can fall back on. One way to do this is through the RCEP's status as an ASEAN-led agreement, which allows the focus to be taken off of negative perceptions about China.

Recommendation

Canada should negotiate to enter the RCEP as soon as possible via, if necessary, a multilateral FTA with ASEAN. At the 48th ASEAN Economic Ministers Meeting in Vientiane, Laos, in August 2016, senior officials from Canada and the 10 ASEAN member countries were tasked with preparing terms of reference for a joint feasibility study that would explore the opportunities and challenges associated with a possible Canada-ASEAN FTA (Global Affairs Canada 2016a). And while there will be difficulties in concluding such an agreement, Canada should be able to initiate negotiations with one of the fastest-growing regions in the Asia-Pacific. Canada's commercial engagement with ASEAN in goods, services and investment have continued to grow at a substantial rate, valuing more than CDN$21 billion in 2015. As with any relationship between developed and developing countries, there will be frictions and concerns on both sides about how the trade partnership will be conducted. Canada's concerns would likely focus on more than negotiating tariffs, with such issues as alleged labour and human rights abuses and their trade impacts. ASEAN objectives could potentially focus on maintaining ASEAN centrality, especially when considering development gaps between the two partners.

There are several debates about whether Canada should, or can, join RCEP negotiations. As previously mentioned, any external economic partners who are not an ASEAN FTA partner may be subject to a potential accession clause to join the RCEP only after the completion of negotiations. As such, a potential Canada-ASEAN FTA could be an important milestone for Canada to enter the RCEP in the future. If it is not required, negotiating to enter the RCEP will effectively give Canada an FTA with ASEAN anyway, enhancing its economic cooperation with ASEAN's important emerging markets. As well, acceding to the RCEP process as soon as possible amplifies the possibility that Canada will get a seat at the negotiating table if negotiations continue to be prolonged.

Regardless of the most expedient path, Canada should pursue accession to the RCEP as soon as possible in order to maximize the benefits and remain competitive with countries gaining newfound preferential access to some of the most important economies in the world.

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