



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

45th PARLIAMENT, 1st SESSION

Standing Committee on Foreign Affairs and International Development

EVIDENCE

NUMBER 018

PUBLIC PART ONLY - PARTIE PUBLIQUE SEULEMENT

Tuesday, January 27, 2026

Chair: Ahmed Hussien



Standing Committee on Foreign Affairs and International Development

Tuesday, January 27, 2026

• (1535)

[*English*]

The Chair (Hon. Ahmed Hussen (York South—Weston—Etobicoke, Lib.)): Good afternoon, everyone.

I call the meeting to order.

Welcome to meeting number 18 of the House of Commons Standing Committee on Foreign Affairs and International Development.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Tuesday, September 23, 2025, the committee is meeting on Canada's Africa strategy.

[*Translation*]

Today's meeting is taking place in a hybrid format, pursuant to the Standing Orders. Members are attending in person in the room and remotely using the Zoom application.

[*English*]

Before we continue, I would like to ask all in-person participants to consult the guidelines written on the cards on the table. These measures are in place to help prevent audio and feedback incidents, and to protect the health and safety of all participants.

I would like to make a few comments for the benefit of the witnesses and members.

Please wait until I recognize you by name before speaking. For those participating by video conference, click on the microphone icon to activate your mic, and please mute yourself when you are not speaking.

For those on Zoom, at the bottom of your screen, you can make the appropriate selection of channel for interpretation: floor, English or French.

For those in the room, you can use the earpiece and select the desired channel.

I remind you that all comments should be addressed through the chair.

For members in the room, if you wish to speak, please raise your hand.

For members on Zoom, please use the "raise hand" function. The clerk and I will manage the speaking order as best we can, and we appreciate your patience and understanding in this regard.

I would now like to welcome our witnesses for the first hour.

From the Department of Foreign Affairs, Trade and Development, we have His Excellency Ben Marc Diendéré, ambassador, permanent observer to the African Union and Canada's special envoy for Africa, who is joining us today by video conference.

We have, in person, Ryan Clark, director general, central, southern and eastern Africa bureau; as well as Susan Steffen, director general, west Africa and Maghreb bureau.

Up to five minutes will be given for opening remarks, after which we will proceed with rounds of questions.

I now invite His Excellency Ben Marc Diendéré to make an opening statement.

[*Translation*]

Welcome.

H.E. Ben Marc Diendéré (Ambassador, Permanent Observer African Union and Canada's Special Envoy for Africa, Department of Foreign Affairs, Trade and Development): Mr. Chair, I would like to make a quick statement because I am in Addis Ababa and we may experience a power outage before the end of this presentation.

Honourable members of the committee, I wish you all a very happy new year that furthers our shared eco-environmental and geopolitical issues.

First, thank you for your invitation. I am very pleased to testify in support of our Africa strategy. I will talk about three issues over the next few minutes that the committee has allocated to me: my role in Canada's Africa strategy, highlights of my mandate as a special envoy, and highlights of my role within the African Union and the African Union Commission.

[*English*]

Members of the committee, I'll turn to point one, which is Africa's strategy and my role.

Prior to the launch of this strategy, this committee indicated the importance of enhancing—

The Chair: Mr. Ambassador, could you slow down your pace a little bit for the benefit of the interpreters, please?

Thank you.

Ben Marc Diendéré: Thank you. I am sorry about that.

Among the report's recommendations was a call for a comprehensive strategy for Africa to be developed around the principle of partnership, mutual interests and shared priorities.

Canada's Africa strategy reinforces the importance of many of the committee's recommendations. For example, the committee recommended the creation of a diaspora engagement mechanism, devoting special attention to fragile and conflict-affected states and improving trade with Africa, including through a high-level trade mission.

Many other recommendations, such as support for the African continental free trade area, working through the Commonwealth, the Organisation internationale de la Francophonie and the Elsie initiative, already existed and were reaffirmed.

The strategy emphasizes partnership with mutual benefit, including economic co-operation, peace and security, engagement with African diaspora communities and development assistance focusing on economic growth and youth employment, humanitarian assistance and global health.

As Canada's first special envoy for Africa, I have been working for the last year on implementing this strategy in line with the government's seven missions: enhancing our partnership with the continent's most important multilateral organization, the African Union; promoting Canada's interests from a broad cross-cutting perspective; and amplifying our efforts to deepen and diversify trade relations with key countries and regions, particularly in sectors where Canada's trade is demonstrated in great capacity.

Members of the committee,

[*Translation*]

Mr. Chair, I would add that I have actively engaged with some members of civil society and African diaspora communities in Canada. One aspect of my mandate is to work closely with and to support heads of missions across the continent in order to strengthen our collective presence. They are doing a great job in that area, and this deserves recognition.

• (1540)

[*English*]

Turning to the second point about highlights of my actions as a special envoy for Africa, having a special envoy position has sent a signal to Canada's African partners that we are serious. New doors are opening to engage actively in continental initiatives involving trade and investment in sectors such as energy, mining, IT, agriculture, education, biosecurity, biosafety and climate.

Let me provide you with examples that are moving the needle in our relationships on the continent.

At the Intra-African Trade Fair in Algiers, I participated alongside 16 Canadian companies representing agrotechnology, defence, AI, maritime and the creative industries.

In June, I led a delegation of 19 Canadian companies to the Africa Energy Forum in Cape Town, South Africa.

In September, at the Africa Climate Summit in Addis Ababa, I presented remarks on Canada's important partnership with the

African Development Bank supporting major blended finance initiatives, including support of climate-resilient agribusiness.

In support of Canada's African diaspora's efforts, I led a delegation to a diaspora investment forum in Ghana that included 10 Canadian companies and organizations.

I have been invited to the Angola financing summit for Africa's infrastructure development at the end of October, furthering our broader efforts to support strategic infrastructure projects and global supply chains.

Finally, let me provide you with some of my macro mission highlights.

We have made unprecedented strides in deepening our relations with the commission and its specialized agencies. At the last high-level dialogue of the African Union, Canada negotiated an MOU to deepen our areas of co-operation. My team and I are actively pursuing preparations for the next high-level dialogue to be held this year.

Closely connected to work with the African Union has been Canada's commitment to the design and implementation of the African continental free trade area, a flagship project of Agenda 2063. Through a partnership with the UN Economic Commission for Africa, Canada has provided substantial support to the UN African Trade Policy Centre, which is instrumental in driving economic integration and the opening of new markets for partners like Canada.

[*Translation*]

Members of the committee, I am especially proud that through my work and personal commitment, I have helped raise Canada's profile in Addis Ababa, a diplomatic capital, while representing our country at NATO as the embassy's point of contact. I am also the co-chair of the partners group of non-African representatives at the African Union.

Mr. Chair, we have also taken our strategy one step further by promoting our mutual interests to better position Canadian businesses for the numerous economic opportunities available to them.

Thank you for your attention.

[*English*]

The Chair: Thank you very much—

[*Translation*]

Alexis Brunelle-Duceppe (Lac-Saint-Jean, BQ): Excuse me, Mr. Chair.

We have been very accommodating concerning the witness's Internet connectivity issues. However, for the health and safety of our interpreters, I would suggest our colleagues not ask the witness too many questions. We can put any questions to him in writing, and he can respond in writing.

I am simply saying that because of the health and safety of our interpreters since the connection is quite poor.

[English]

The Chair: Thank you for that intervention.

I now will open the floor for questions. The first round will begin with MP Rood.

You have six minutes.

Lianne Rood (Middlesex—London, CPC): Thank you very much, Mr. Chair.

Thank you, witnesses, for being here today.

After 10 years of spending in Africa, what hard proof does the department have that Canadian aid funding worked there? Where did it not work and what programs are being discontinued because of that?

[Translation]

Ben Marc Diendéré: That's a very important question, Mr. Chair, and I believe many Canadians have the same question about the size of our investments on the continent.

A lot has happened. I think Canada has nothing to be ashamed of in terms of its response to investment in development in Africa. I can confirm that based on my three years here.

[English]

Lianne Rood: Can any of the witnesses tell me where Canadian aid has pushed aside local businesses or private investors? Does the department have plans to move money from grants to real revenue-backed projects with shared risk, and can you give us an example?

[Translation]

Ben Marc Diendéré: I think my colleagues here can give you more information, honourable member.

Nevertheless, as I said earlier, there is absolutely no reason for us to be ashamed of our investment. The new reform we are embarking on concerning our Africa strategy will allow us to move development finance resources to blended financing operations, but I will defer that question to my colleagues in the meeting.

• (1545)

[English]

Ryan Clark (Director General, Central, Southern and Eastern Africa Bureau, Department of Foreign Affairs, Trade and Development): Thank you, Ben Marc.

Our international assistance in Africa funds social programs and productive programs, if I could separate them into those two buckets. For the last 10 years, the predominant amount of that funding has gone into social programs, so supporting health and education initiatives where we'd be funding Canadian partners or international partners to help local and national-level health or education sys-

tems. In those cases, there are extremely limited chances of that displacing any sort of private investment. In fact, anywhere that we could find ways to mobilize investment in health or education sectors using our international assistance, we attempt to do so as part of our project design.

On the productive side of things, which we're starting to do a bit more as part of this strategy, looking to see where and how we can better use our international assistance to spur economic growth and to mobilize investment and partnership, including with Canadian entities, we've had some successes in the agricultural sector. We've also had some success in energy transition using things like sovereign loans, for example. In South Africa, we've lent money where we're trying to work with the South African government to get them off coal while creating clean tech opportunities, hopefully for Canadian companies, for example. A lot of times we're trying to use more of what's called blended finance where we take a little bit of public finance, in this case our international assistance, and try to partner with private capital to spur job growth or spur investments in different markets.

One of the core components of the strategy is to try to do more of this. But in those cases, we're not looking to supplant private investment. We're looking to enhance it or the word that we use is to "mobilize" it. So it's not really supplanting. In some cases, what's needed is international assistance to incentivize or to help to buy down some of the risk that many private companies may see, whether it's perceived or actual in these markets. There are lots of proven examples of how international assistance can help in those types of circumstances.

Lianne Rood: Can you tell us how you're increasing blended finance opportunities and is there a goalpost to reach?

Ryan Clark: We have a specific target, but our strategy talks quite openly about the need for Canada seeking enhanced partnerships based on identified mutual interest, largely in the economic space, and how we'll use all of the tools we have in our tool kit, one of which is blended finance, which could be concessional financing. It could just be a grant, like the majority of our international assistance, that's used to try to create either a better enabling environment for other investment, or like I mentioned before, to try to incentivize private capital to get into a particular market or into a particular vehicle, whether it's a fund or a specific project.

Lianne Rood: As part of the Africa strategy, will Canada see offtake deals and long-term supply contracts in agri-food—you mentioned agriculture before—energy and critical minerals? What's blocking deals from being created today, and how is the department working on clearing those obstacles?

[*Translation*]

Ben Marc Diendéré: I'll give a quick answer, honourable member.

I deferred that question to my colleagues because I don't have any leverage as a special envoy or permanent representative to the African Union. These programs are specific to our department. I've not answered the question directly and have deferred it to my colleague because the work is done at the departmental level.

I'll let Mr. Clark answer.

[*English*]

Ryan Clark: Thank you, Ben Marc.

A lot of our international assistance as part of this new strategy will go, as I mentioned before, toward helping to create a better enabling environment for investment, including in the mining sectors and, by extension, in some areas where there are critical minerals of importance to Canada and our G7 partners, for example.

A lot of the time, what we hear from Canadian companies and other international companies and African companies that are investing in the mining sector is the need for clear standards, clear business practices and reduced corruption. The types of projects that would use international assistance would target those segments of the governance around mining and critical minerals to help improve private sector entry, including with our mining companies, into those areas to help them work with the local and national governments to get resources out of the ground and then get them to market.

● (1550)

Lianne Rood: Thank you.

The Chair: Next is MP Mona Fortier. You have six minutes.

[*Translation*]

Hon. Mona Fortier (Ottawa—Vanier—Gloucester, Lib.): Thank you very much.

Thank you all for being here today.

I'd like to welcome my colleague Mr. Steven Guilbeault, who has joined us and will speak later.

Thank you very much, Mr. Diendéré, for joining us today. I'm very grateful for that. Your work is much appreciated.

From what I understand, you have had the same role for almost one year, since February 2025. However, we must point out that your expertise and your experience have increased the likelihood of the implementation of this strategy, which was announced a year ago.

I wish to remind the committee that if I understand correctly, your work consists in translating the strategy's goals into concrete action. This includes strengthening economic partnerships, supporting peace and security initiatives, strengthening connections between people, including African diaspora communities in Canada, and positioning Canada as a reliable and committed long-term partner for Canadian institutions and Canadians.

Now that you have been pursuing this commitment for the past year, and in view of the current geopolitical context and the fact that among other things, Canada wishes to continue to diversify its markets and to operate on several continents, including the African continent, what concrete measures can you recommend that the committee could include in its recommendations?

Ben Marc Diendéré: Thank you very much, honourable member. It's a pleasure to see you again. I have previously had many opportunities to speak with you. Since we're going to run out of time shortly, I'd like to quickly share some progress with you.

We have had an Africa strategy for the past one year. We have an unwavering commitment to the African Union. This gives us access to everything, including the African Union's specialized agencies; the entire CDC Africa, or disease control and prevention centres in Africa; the African Development Bank, and the CfCA, or Connect for Culture Africa. For the diplomatic community, our presence here has become real. That is progress. I would go so far as to add some very basic items. We now have air operator certificates in a number of African countries that are in the process of opening up their skies.

What do we need to do going forward? We need to make sure we have champions. Canada must make sure it has champions on the ground, whether in the field of agriculture, which I am quite familiar with because I have worked in the sector, the telecommunications field or other fields that are of interest to our country today. As the Davos speech reminds us, we don't have to invent a world.

Right now, the African Union has projects worth approximately \$3 trillion in construction, value chain transformation and business transformation fields. There is no field that Canada cannot operate in today, be it in IT or the oil and gas sector.

What we need to do is to find champions and position them on the ground. We need to help them get into the markets. We have commissioners who currently work on the ground. Whenever I travel with business representatives, I am surprised to see how isolated we are. We need a lot more resources than that. We need organizations to walk in lockstep with our champions and to bring them to see business opportunities in Canada. We have the resources for that.

Hon. Mona Fortier: Thank you.

My remarks are for those who work on the strategy on a day-to-day basis. Do you have anything to add? No? Okay.

I will carry on then. I know that the Internet connection may be a challenge, but if you think of other strategies or concrete measures that the committee could consider, feel free to send us the information after your presentation today. It would be quite helpful to us to take these measures into consideration.

In the riding I represent, many businesses from the African diaspora play a concrete role on the ground. I had the privilege to take part in the Impact Diaspora Forum in my riding not too long ago. There is no shortage of opportunities or ideas. However, how can we make them a reality? In your opinion, what breakthrough would make us active with these champions? I am thinking, among others, of Canadian businesses that are ready to do business with businesses on the African continent. Do you see any action that we should focus on?

• (1555)

Ben Marc Diendéré: Thank you for your question, honourable member.

It will take a number of tools to make that happen. Canada is already lagging behind in Africa. We need to catch up, even though I'm not entirely sure who or what we're catching up on. However, for now, if we want our businesses to be on the ground, measures to support them have to be interdepartmental, which is the case with Canada's Indo-Pacific strategy, which passed through several departments concurrently.

Right now, Global Affairs Canada has an Africa strategy. Are the other departments involved? Coordination work is needed. It's important to find a way for all the departments that have something to sell, whether that is Natural Resources Canada or the Department of Agriculture and Agri-Food, to come together to do that. Global Affairs Canada can't go it alone. The department is doing what it can to raise issues, and on the business side of things, we have often had success on this continent. We have brought aeronautics here. We have brought leading companies, such as SNC-Lavalin, as members will recall. We have brought CPCS and engineering companies. They are all here. All of them came to this continent because they had support from the country, and not just Global Affairs Canada, and the institutions we have and the financial tools at our disposal.

We therefore need to go back to support tools, pool our investments instead of spreading ourselves too thin left and right, go to priority countries, priority regions, and succeed in business. We must always keep our Canadian businesses in mind. The diaspora communities are there. They own businesses and want to develop. We need to give them tools, and Canada can do that.

[English]

The Chair: Thank you very much.

Before I give the floor to the next questioner, I once again want to remind all the witnesses and particularly his excellency to slow down the pace for the benefit of our interpreters.

Next, we have MP Brunelle-Duceppe.

You have six minutes.

[Translation]

Alexis Brunelle-Duceppe: Thank you, Mr. Chair.

I would like to thank our witnesses for being here for this extremely important study that I had the honour of recommending to this committee.

I would like to hear the views of the witnesses. We have just heard about priorities. Are Canada-Africa relations a priority for the current government and for Mr. Carney?

Don't answer all at once.

I suppose that these seconds where no one answers will not be taken off my time, Mr. Chair.

Ben Marc Diendéré: Okay, I'll go first.

I'm a pragmatic kind of guy. I have a corporate background, and I can tell you that right now, our government has an interest in Africa.

Six months ago, I would have had some questions about that because of the urgent nature of the situation as the president south of the border was pushing our country very hard. The Indo-Pacific, Europe and North America had taken precedence over any conversation about Africa. I personally had the opportunity to call out the government on that.

Now, I can say the government has shown renewed engagement on the issue of Africa recently, and I believe that's important.

Alexis Brunelle-Duceppe: That started six months ago.

How many missions to Africa has Mr. Carney undertaken since he was elected?

Ben Marc Diendéré: I'll tell you about two actual ones. The first one was on peace and security in Egypt and the second one was the G20 meeting in South Africa. He may undertake more, but for now, I think the Prime Minister has had much more—

Alexis Brunelle-Duceppe: Then there hasn't been any bilateral meeting, unlike—

Ben Marc Diendéré: None so far on the continent.

Alexis Brunelle-Duceppe: Okay. That's incredible.

Canada's Africa strategy was released a year behind schedule, just before the election was called.

Can the department tell the committee about the timing of this release? I think the department is working on a daily basis. Can someone tell us why it chose that timing to release the Africa strategy?

• (1600)

[English]

Ryan Clark: Chair, I wouldn't be able to comment on the government's decision for the timing of the release of the strategy.

I could say that officials, including Susan, myself and Ben Marc, spent a considerable amount of time consulting and talking with partners in establishing the strategy and were quite happy when it was released.

[*Translation*]

Alexis Brunelle-Duceppe: I have previously had the opportunity to take part in missions to Cameroon, Rwanda and Kenya. Obviously, I met many people from civil society, elected officials and NGOs on these visits, of course, and they told us they felt Canada's presence on the ground is not what it used to be. I'm not a fan of Jean Chrétien, as you know, but all the same, he was interested in strengthening ties with Africa.

What is happening now is that people on the ground in Africa are telling us—and I'm not making this up—that they definitely feel Canada's presence has diminished compared to what it once was.

Will the release of a 20-page document on the Africa strategy really... Furthermore, the last page, page 20, is for taking notes, so the document is really 19 pages.

Are we really going to reassure people on the ground in Africa with a 19-page document on the Africa strategy?

Ben Marc Diendéré: Thank you for your question, honourable member.

I have personally faced all sorts of criticisms from the general public and the diaspora with respect to the intensity or relevance of this strategy. Regardless of whether or not it was released at the right time, I always say that the strategy was the starting point for a conversation to build real bridges between Canada and the 54 countries in Africa.

I believe a strategy is not a catch-all. This strategy was released after three or four years of work. Consultations took place. I had some with the ministers of finance and of energy, and some sectors of the community and the diaspora worked on finding common ground. I'm very pleased with what has been achieved so far, but a strategy is not a catch-all, it's a starting point for action. That's where we are right now.

Alexis Brunelle-Duceppe: I agree with you. The continent does have more countries—54—than all the other continents. Even so, there hasn't been any bilateral visit between Canada and one of these countries, unfortunately.

That said, we can't also ignore the Carney government's new vision of international co-operation. We've been told that international co-operation must be tied to the economy, while at the same time reducing the international assistance budget.

Do we really think we will meet our goals in Canada's Africa strategy while reducing the international assistance budget? Do you really think that, Your Excellency, yes or no?

Ben Marc Diendéré: Canada is not the only country that has reduced development investment.

I want to point out a second thing: Africans no longer expect development assistance. They expect investment. What we're doing now is trying to find the link to transition from investments in development to economic co-operation. That's what African Union member countries are calling for now.

I don't believe the real action is happening in the debate over development budget cuts right now. I think that instead, people are looking to balance the resources that have been available until now

and transition them into investments for the benefit of African countries and Canada.

Alexis Brunelle-Duceppe: What you are telling us is that Africa no longer has any expectations with respect to international assistance.

That said, a number of NGOs on the ground in Africa are telling us the opposite, but that's your perspective, and I respect it.

I'm not running out of time Mr. Chair, am I? This is a very interesting conversation.

What you're telling me is that because other countries are cutting their international assistance budgets, it is entirely logical for Canada to do the same thing. That's my understanding of your position, Canada's representative.

• (1605)

Ben Marc Diendéré: No, you should not interpret my answer that way, honourable member. I wanted to say—

[*English*]

The Chair: Thank you.

[*Translation*]

Alexis Brunelle-Duceppe: Thank you, Mr. Chair.

[*English*]

The Chair: We now proceed to the second round of questions, beginning with MP Michael Chong.

You have five minutes.

Hon. Michael Chong (Wellington—Halton Hills North, CPC): Thank you to our witnesses for appearing in front of us today. I have a couple of quick questions.

You, sir, were appointed to be Canada's special envoy for Africa. Prior to that, you were appointed to be Canada's permanent observer to the African Union.

Can you tell our committee how many locally engaged staff and how many permanent Canadian staff you have employed to support you in your work?

Ben Marc Diendéré: I have one CBS, a Canada-based employee. I have one, let's say, political adviser, who is the locally engaged staff, and that's it.

The other part of my team is from Ottawa. I have to rely on the team in Ottawa to help me do my job. Also, with the team on the ground, we have the heads of mission around the continent. That's the way we're operating right now.

[*Translation*]

Hon. Michael Chong: The government has said it wants to establish a high commission in Zambia and an embassy in Benin.

What progress has been made on these two commitments?

Ben Marc Diendéré: I'll start, and then I'll turn it over to my colleague Mr. Clark.

These two countries are important for Africa at this particular time. Zambia is important because of its geographic location and all the investments. I know this committee has an interest in supply chain and industrialization issues. Zambia is a central hub.

Benin, on the other hand, is in the West African region, and geographically, this is a port region. The country also has a degree of democratic stability. It neighbours countries in the ASS, the Alliance of Sahel States. I believe having these two countries is an asset.

I'll let my colleague Mr. Clark jump in.

[*English*]

Hon. Michael Chong: Do you have anything to add?

Susan Steffen (Director General, West Africa and Maghreb Bureau, Department of Foreign Affairs, Trade and Development): What I can add to that is that with big decisions like this, it takes some time to put all the ducks in order, but we're looking very much forward to opening our embassy in Benin in short order. I believe it's the case in Zambia as well.

I know my colleague can tell you a little more about Zambia.

Hon. Michael Chong: I assume “in short order” means sometime this year.

I have another couple of quick questions.

The Africa strategy references a high-level trade mission to Africa to prioritize innovation, critical minerals and infrastructure. When is this trade mission to take place?

Ben Marc Diendéré: Do you want me to jump in?

Susan Steffen: Please, go ahead.

Ben Marc Diendéré: We're planning a couple of trade missions around the continent. This year, we have the AI continental mission. We have a global health mission. We also have a critical mineral mission. There will be one in February in South Africa—the Indaba—on mining. There are a lot of events right now on the continent.

As you know, the African Union has a continental strategy for a couple of subjects like energy, global health, water and blue economy. We're planning to be part of the discussion here. We won't be everywhere, but for strategic reasons, we will go on mining for sure, on energy as another part, and maybe for maritime and global health.

Hon. Michael Chong: How are we measuring progress against the Africa strategy? Is that going to be done through the departmental results reports or is that going to be done separately in addition to that?

I ask because the government is rewriting the Indo-Pacific strategy, as I understand it. My understanding is that it is not doing that for the Africa strategy, so now we're into implementation.

How are we measuring results against the strategy?

• (1610)

The Chair: Give a brief response, please.

Susan Steffen: I can speak briefly to that.

Indeed, I think the departmental performance report and the departmental results report will be the best places to look for information on that.

I don't feel equipped to speak to the Indo-Pacific strategy and what's happening with that.

The Chair: Thank you.

Hon. Michael Chong: So the departmental results are where it's going to be.

Okay, thank you.

The Chair: Thank you very much.

Next is our new colleague joining the committee.

Welcome, MP Steven Guilbeault. You have five minutes to ask your questions.

[*Translation*]

Hon. Steven Guilbeault (Laurier—Sainte-Marie, Lib.): Thank you very much, Mr. Chair.

Colleagues, it's a great pleasure to join this committee.

I would also like to thank our guests.

I'll start by asking you a few questions, Mr. Diendéré. First, thank you for joining us, seeing as it's close to midnight there. My questions are related to those asked by my Bloc Québécois colleague on the issue of international assistance. I'd just like to add that, obviously, for the past few years, over and above international assistance, there have also been targeted efforts, for instance on the issue of climate change. Over the past five years, Canada has contributed \$5 billion under the Paris Agreement and nearly half a billion dollars on the issue of nature.

In your opinion, Mr. Diendéré, with the massive withdrawal of the U.S. from international assistance, which we all find regrettable, are there opportunities for Canada to play a bigger role in some key sectors or could the American pullout result in increased insecurity, particularly on the African continent, which could obviously spill over African borders significantly?

Ben Marc Diendéré: Thank you very much, Mr. Guilbeault.

I have a very simple saying. We can't replace American assistance, we can't imagine doing that. However, we can be good at what needs to be done. We can invest in this area, and Canada has been very active in the area of climate change. It has provided support to organizations like the Global Green Growth Institute, or GGGI, and a group like ARC, or the African Risk Capacity, which helps businesses and countries to adapt to climate change. We have made meaningful investments here and put real assets in place to address the climate challenge. However, I'm sorry but I can't put on rose-coloured glasses, we can't replace American aid. We don't have the resources to do that. Development assistance had already been eroded. That's what I was trying to tell Mr. Brunelle-Duceppe earlier.

Erosion does not mean we must not invest. Instead, it means that we have to be more creative now. We can no longer continue to do business as before, and Africans themselves are already working hard to make changes. Members would be delighted to see the technologies they are deploying, the methods they are now using to adapt to climate change and to endure climate crises for which they bear little responsibility. These crises originate elsewhere and bring incredibly difficult conditions.

I'll share one final example quickly. A minister of finance once told me that just as they try to recover from the latest climate crisis—whether flooding or drought—another strikes. The same countries are then expected to have hospitals and schools that work, technologies, and so forth. In the situation at hand, Canada can provide assistance, and not just because it has to provide development assistance. Canada can take part in reconstruction, and even do business. That's what I'm trying to promote. In the area of climate change, no one knows all the answers. We just have to be creative and do our part.

Hon. Steven Guilbeault: Thank you very much. I do agree with you about synergy between development assistance, whether in more traditional areas like education or health, and what we are doing on climate and conservation.

Furthermore, investments and the private sector can also play a role. There was talk about creative finance, where public sector investment can generate additional investments. Later, I'll have some questions on this subject for Ms. Kerr, who has just joined the meeting, from the Development Finance Institute Canada, or FinDev Canada.

You pre-empted my second question when you spoke about the impacts of climate change in Africa. There is still a lot of work to do when it comes to adaptation and resilience, and many Canadian companies have developed technologies in all kinds of areas. For example, we can talk about investments in the biodiversity sector to increase resilience to some impacts of climate change. Floods, drought and rising sea levels come to mind.

Mr. Diendéré, can you tell us about this link between international assistance for the climate or nature and business opportunities for Canadian companies that help people on the African continent?

• (1615)

[English]

The Chair: You only have time for a very brief response, unfortunately, because of time constraints.

[Translation]

Ben Marc Diendéré: I'll give you an example that recaps everything you've said.

When I attended the 2025 African Energy Week in Cape Town, South Africa, I met with representatives from a Canadian company. Do an online search if you have time. The company is growing cacti in the Namibian desert to generate energy for mines. What I've just told you is astounding. The company grows cacti in a desert to generate energy for mining companies. This is actually a link between companies and business.

[English]

The Chair: Thank you.

Mr. Brunelle-Duceppe, you have two and a half minutes.

[Translation]

Alexis Brunelle-Duceppe: Thank you, Mr. Chair.

That is quite interesting, Mr. Diendéré. We'll do that search on the internet. I'm very interested in that.

I'd like to talk to you about the francophonie.

There are those who tell us that the future of the francophonie is in Africa, among other things. That said, can you tell us how you currently see Canada's place within the francophonie? Are you taking any action on this file specifically?

Ben Marc Diendéré: I'll answer you from my perspective in my role at the African Union, honourable member. We have an ambassador from the OIF, the Organisation internationale de la Francophonie, at the African Union and we work closely with her.

You are right when you say that. The biggest francophone country in the world is the Democratic Republic of the Congo. Whether we like it or not, it has the largest number of French speakers. When it comes to the francophonie, there are more than 30 francophone countries on the African continent.

For us francophones in North America, Africa is still a great continent where we need to fast-track cultural exchanges and business exchanges. Africa is a real market for those from the francophonie. The same goes with the Commonwealth. For the francophonie, Africa is a very tangible market. Yes, we're very active here.

Alexis Brunelle-Duceppe: This is what I want to know: How do you see Canada's place within the francophonie, particularly with respect to Canada-Africa relations?

We're on the same page on every single aspect: I said more or less the same thing as you before I asked you that question.

Ben Marc Diendéré: I'll make this very quick, honourable member, so you don't lose your speaking time. We have a lot of exchanges with our students and our business people. We need to strengthen these exchanges.

How is Canada doing? I think Canada can do a bit more. However, I'm not responsible for this organization.

From what I see on the continent with our francophone diaspora, we have enormous weight. That's a role that should not be overlooked when one is Canadian and francophone.

Alexis Brunelle-Duceppe: I also understand that you are not the ambassador of the Organisation internationale de la Francophonie, the OIF, but nevertheless, you have an important role and many ties with the organization. Mali, Burkina Faso and Niger have withdrawn from the OIF. So far, have you observed any impacts for these countries that have exited the organization?

Ben Marc Diendéré: The issue with countries that leave international organizations is not limited to the OIF. Many institutions have shut down and left the OIF.

At this point, three countries have left the Sahel. We have a special envoy for the Sahel and he can go into a little more detail about that. However, I can say that Guinea recently rejoined the OIF after going through a transition. I believe discussions are under way to determine what mechanisms could be set up with these fully francophone countries, namely Burkina Faso, Mali and Niger. That might be very interesting.

That's the shortest answer I can provide at the moment.

[English]

The Chair: Thank you very much.

Colleagues and witnesses, before I give the floor to MP Aboultaif, I want to remind you to reduce the pace of your speaking for the benefit and the health and safety of the interpreters.

MP Aboultaif, you have five minutes.

• (1620)

Ziad Aboultaif (Edmonton Manning, CPC): Thank you, Chair.

Welcome to you, Your Excellency, and to the team.

Your Excellency, if you were to name three priorities that you set yourself upon taking on this job, what would they be?

Ben Marc Diendéré: I want our country to be part of a big movement. Right now, everybody is in Africa. We have to know that. We have to have this in our minds. It's a 1.3 billion-person market.

Ziad Aboultaif: Thanks for the answer.

Do you want to add something? I asked for three priorities.

Ben Marc Diendéré: Yes. The second one, for me, is to have confidence in ourselves. We need our companies here. We have a lot of business to do on this continent. We can do it. We are Canadian.

The third one would be to at least keep the conversation going with the market diversification. We need to add Africa to this. We

cannot just be here thinking about Africa for tomorrow. Africa is today; it is the continent of today. Everybody is here. The Gulf States are here. China is here. India is here. Turkey is here. Why not us? We have to come.

Ziad Aboultaif: I know you said that the strategy is not the entire thing, and I agree with you. However, on the other side, there are barriers to doing business in Africa. It could be the competitiveness, the willingness to do business, the readiness to do business or the lack of government support. Do you believe that all these barriers still exist there for Canadian companies to enter the African market?

Ben Marc Diendéré: I'm coming from the private sector. Why are the Chinese here? Why are the Japanese here? Why are all the businesses and companies here and not the Canadian companies? Are we the only ones who can see the barriers? We have to wake up. The world is what it is. If someone doesn't want to do business in Africa, so be it, but a lot of companies do want to do business in Africa. We have to help the ones who want to do it. We have to do everything in our power to push them here.

[Translation]

For your information, my last count focused on over 1,000 companies that have done business at some point.

[English]

More than 1,000 companies and organizations have called for assistance from the trade commissioners. That's a lot of companies and organizations. That means we're already here. The thing that's missing is to make sure that, for those who want to be a champion here, we have money to push them. We already have a lot of companies on the continent, so we have to do something to help them.

Ziad Aboultaif: Do you receive enough support, as an ambassador, to do the job—and I'm talking from the government side—to be able to organize those business trips and to take the Canadian delegations to the market? They're not going to be able to do it alone, and they're not going to volunteer to do it alone because they may have different markets. Do you believe you have enough resources to be able to do that, to enter the market, to be competitive and to have a presence in Africa for Canadian companies?

Ben Marc Diendéré: Yes, I need resources, and I need bandwidth. The department is doing whatever it can to help me do my job. I'm proud of where we are right now. I'm the only special envoy for the whole continent. We are the only country where there's a special envoy, and everybody's looking at Canada right now as a pioneer on this thing.

It means that with the 28 embassies we have, including myself, we have someone else to roam around the continent and do business. We have a bit of power. We have to be creative here, so yes, I need more means. I need more bandwidth. I'm doing my job with whatever the government gives me and the department. Right now, I can say that there will be mobilization to make this thing work.

Ziad Aboultaif: Your story breaks my heart because I did business in the 1990s in the Middle East and North Africa, the MENA region, and I know what you're saying.

Do you think we are serious enough to tackle this market, to take on this market and to really do serious business in Africa, yes or no? Are we still living in the past, thinking that Africa just needs international development help, and that's good enough? Africa needs partnership with us, and I don't think we are doing enough to achieve that.

Do you believe that we are serious or not?

• (1625)

The Chair: Give a very brief response, please. Thank you.

Ben Marc Diendéré: I'm serious, at least. I took three years of my life. I was in the private sector doing money. I left my world to come do this job.

Ziad Aboultaif: I'm not referring to you.

Ben Marc Diendéré: At least for me, it's very important to say that. The mobilization by myself, bringing myself on this with the department is very serious, but we still have to work on the "how to", so this one is part of the next step of the strategy.

Ziad Aboultaif: Thank you.

The Chair: Thank you very much.

Next, we go to MP Vandenberg.

You have five minutes.

Anita Vandenberg (Ottawa West—Nepean, Lib.): Thank you.

Ambassador Diendéré, thank you so much for your testimony and for the work that you're doing. I really like what you said, that everybody is in Africa. Frankly, I think that should be the title of our report.

I did note some of the countries you mentioned. We know that right now, we're in a new period of geopolitical competition. In that competition, Africa is really the frontier. Some of the countries you mentioned are not as committed or even would be undermining some of the democracies in Africa.

When we look at security, when we look at economic partners and look to diversify our partners, it is much easier to work with democratic countries. I wonder what element of your work and how much of your work may be around that area and good governance. Is there an area where Canada could perhaps do more?

Ben Marc Diendéré: Thank you for your commitment to women, peace and security. I have been listening to you on the subject.

Good governance is everything. This continent has 54 countries. As I say to people, when you are Ethiopia, you have six neighbours. When you are a country like Burkina Faso, you have five neighbours. At least at one point somewhere, with migration, with the way the economies are working, you will be in trouble. That being said, the government is working quite well right now in Africa. We have a couple of places where there is a problem. Canada is still working very well with the countries.

We could have more partners. The Nordic countries could be partners with us. Let's be creative here. We could have a Nordic country and Canada—Norway, Canada and Burkina Faso—or we could choose another country—Norway, Canada and the Ivory Coast. We could have Qatar, Canada and another country. There is a way to work here and to make sure that we still have this Canadian value which is to protect people, to make sure we are not in a place where people are always in disarray, where there are a lot of resources, where there's a lot of...

[Translation]

You know, for instance, the moment money and mines enter the equation, people inevitably find themselves in serious trouble.

[English]

We need to protect our population with our investment partnerships and make sure that every time we have a partner, we are at least working with the same set of rules, so we can at least be part of a win-win situation between us and other countries.

Anita Vandenberg: Thank you very much.

I appreciate your mentioning women, peace and security because we know that without women, particularly the economic empowerment of women and women involved in post-conflict reconstruction and prevention of conflict, we won't be able to achieve the goals that we have either as partnerships or in Africa.

Could you elaborate a little bit on what Canada's role could be in that regard?

Ben Marc Diendéré: Thank you, honourable member.

I am a son of my mother and I was born on this continent. I know the fate of women on this continent. I'm working very hard with the special envoy for women at the AU, Her Excellency Mulamula. We're working on Elsie initiative and peace and security. We want to make sure that everywhere—even in the next two weeks, there will be the African Union summit here—there is a high-level dialogue with agriculture, women and entrepreneurship.

I'm keeping the pace. I'm keeping women in the loop on the conversation. One of my best friends here is a woman, Maria, who has a [Technical difficulty—Editor] in Addis Ababa. Maria is having [Technical difficulty—Editor] working all the time to make sure they can get back into society after the hardships they have been through.

We're doing very well and [Technical difficulty—Editor]. I'm proud to say that Canada is front and centre, and we will stay there, because women are the backbone of this continent.

• (1630)

Anita Vandenberg: I was actually at the Dakar 2 food summit, and there was a lot of excitement. This was just before your appointment. We had announced it but you weren't in place yet. That was three years ago.

I wonder what you would say the biggest accomplishments are of having a dedicated ambassador, a permanent observer at the African Union. What would be the biggest achievements in the last three years?

Ben Marc Diendéré: There are only five countries that have two ambassadors at Addis Ababa—the U.S., Canada, Italy, Japan and Switzerland. We have few countries that are really engaging every day with the African Union.

I cannot imagine the role of the last ambassador who had to do these two jobs because it's taken so much of my time. This is an organization of 54 countries. Imagine? There is a lot to do for them.

The Chair: Thank you, You Excellency, and thank you, of course, to the officials as well for your appearance before the committee.

We will now briefly suspend this meeting to prepare for the next panel.

• (1630) _____ (Pause) _____

• (1635)

• (1640)

The Chair: I call this meeting to order.

I would now like to welcome our witness for the second hour. From Development Finance Institute Canada, we have Lori Kerr, chief executive officer.

We were scheduled to hear also from Garreth Bloor, president of the Canada-Africa Chamber of Business, who tried really hard to join us but had unexpected flight issues. He was unable to travel to Ottawa. Despite that, he made the necessary arrangements with our clerk earlier today to participate by video conference but wasn't able to join us. He sends his regrets.

I now invite Lori Kerr to make her opening statement.

Lori Kerr (Chief Executive Officer, Development Finance Institute Canada (DFIC) Inc.): Thank you, Mr. Chair and members of the committee, for the invitation to appear today.

Good afternoon.

On behalf of FinDev Canada, it's a privilege to share with you more about FinDev Canada and what we are accomplishing in Africa in alignment with Canada's Africa strategy.

FinDev Canada is Canada's bilateral development finance institution and was established in 2018 as a wholly owned subsidiary of Export Development Canada.

We support development through the private sector by providing financing, investment and blended finance solutions, as well as technical assistance, to support sustainable and inclusive growth in emerging markets and developing economies.

We were established to complement the range of tools that Canada has in place to address the significant development challenges these markets face, with a focus on supporting growth and prosperity through the private sector.

[*Translation*]

Since our inception, FinDev Canada has finalized over \$2.9 billion in investments with over 59 clients.

[*English*]

Operating in Latin America and the Caribbean, sub-Saharan Africa and, more recently, the Indo-Pacific region, we have a dual mandate to achieve both development impact and financial sustainability.

We are guided by three development impact goals: climate and nature action, gender equality and market development, which means that we assess each transaction for its current and potential impact on these goals. Financial sustainability means generating sufficient returns to cover our costs.

This approach makes FinDev Canada an effective public policy tool for Canada's development, economic and foreign policy priorities. We leverage private sector solutions to achieve development impact at scale, we support development and strengthening of key global relationships and we do so as a responsible financial steward growing the government's capital.

We focus on three sectors: the financial industry; agribusiness, forestry and their value chains; and sustainable infrastructure, which I will explain through examples in our portfolio.

First is the financial industry. We support banks, financial co-operatives, investment funds and other financial intermediaries. The financial industry allows us to reach end-clients that we would not have the ability to reach directly: for example, micro, small and medium-sized businesses. One example is CRDB Bank in Tanzania, where we provided a loan to support on-lending to climate-smart companies, small and medium-sized enterprises and women-led businesses.

A strong, deep and resilient financial system is a bedrock of development, and supporting local financial institutions also helps us, as Canada, contribute to broader capital market development as a result.

The second is agribusiness, forestry and their value chains. This means that we support private sector opportunities across a range from production to distribution. In South Africa, for example, we invested in Phatisa Food Fund 2, a pan-African private equity fund investing in companies across the food value chain. FinDev Canada provided Phatisa with an equity investment that has helped to create 3,800 jobs and to support over 15,000 smallholder farmers, 50% of whom are women. This develops food production, distribution and markets for African people and the broader global economy.

Finally, there is sustainable infrastructure. This means building inclusive, low-carbon and climate-resilient economies through renewable energy, sustainable transport, water and sanitation, and digital inclusivity. One demonstration of our commitment to sustainable infrastructure in the region is through our equity investment in the energy entrepreneurs growth fund alongside the 2X Canada blended finance facility funded by Global Affairs Canada and implemented by us to promote gender equality.

The fund is seeking to close the energy gap in expanding access to clean affordable energy for off-grid households and businesses. Thus far, this investment has avoided 506,000 tons of carbon dioxide emissions and has delivered solar energy solutions to 1.37 million people, many in rural and low-income communities. This model is increasing inclusivity for African women and productivity and competitiveness for African people and small businesses.

● (1645)

[Translation]

Sub-Saharan Africa has always been one of our priority regions, currently representing close to 37% of our portfolio, which translates to more than \$1 billion in funding and investment for 20 clients.

[English]

Our approach in Africa is anchored in partnerships, working closely with Global Affairs Canada, multilateral development banks, peer development finance institutions and private investors to deliver results.

At FinDev Canada, we say that our business moves at the speed of trust, and to continue to earn that trust, we're expanding our physical presence.

In the spring of this year, 2026, we'll open a regional office in Cape Town, deepening our engagement and partnership in South Africa and across the region, demonstrating that Canada is having an important impact on the continent.

Beyond this, investment in private sector-led growth in emerging markets is critical to Canada's priorities on shared economic prosperity, climate and supply chain resilience, global stability and deepening relationships in high-growth markets. FinDev Canada is an effective public policy instrument that is contributing to these goals.

Thank you, Mr. Chair and members of the committee. I look forward to your questions.

The Chair: Thank you very much.

I will now open the floor for questions, beginning with MP Aboutaif.

You have six minutes.

Ziad Aboutaif: Can I pass the time to MP Kramp-Neuman?

The Chair: Absolutely.

Go ahead.

Shelby Kramp-Neuman (Hastings—Lennox and Addington—Tyendinaga, CPC): Thank you for being here with us today.

I'd like to start by speaking about a strategic priority for FinDev Canada, which is that of gender equality. Ensuring the safety and well-being of women, girls and gender-diverse people is a critical part of advancing gender equality.

Can you speak to the role that FinDev Canada plays in supporting the physical safety of these groups?

Lori Kerr: Absolutely.

Gender equality is, as I've mentioned, one of our key impact goals at FinDev Canada. Sixty per cent of investments in our overall portfolio are 2X Challenge-aligned. I can explain what that means later on, but essentially it's aligned with gender equality.

As we look at our transactions when we're making our investment decisions, we go through enhanced due diligence and make sure that we're looking particularly at vulnerable groups and how women are going to be benefiting from the investments that we make. We have clear parameters in different areas that we look at, such as contribution to women's employment, women in leadership, and products and services for women.

On the vulnerability side, according to the environmental and social standards that we implement, follow and expect our clients to follow, which are based on international best practices, we look at gender-based violence and the impact on vulnerable populations, including women and girls, as part of our due diligence process.

Shelby Kramp-Neuman: Thank you.

Does FinDev Canada collaborate with government or local authorities? In addition, does it offer funding, guidance or some other kind of operational support?

Lori Kerr: In the Canadian context, obviously we collaborate with Global Affairs Canada on the development side. We have a partnership with them, and I can explain that.

In terms of collaborating with local governments, the work that we do is with and through the private sector. That's our primary client base, and that's who we have most of our engagement with.

Shelby Kramp-Neuman: Can you speak to the threat that organizations like the Rapid Support Forces or Boko Haram pose to gender equality? Do you feel like these organizations and other terrorist groups pose any threat or difficulties in delivering programming on the continent?

Lori Kerr: I think that would be a great question for colleagues at Global Affairs Canada to answer.

Shelby Kramp-Neuman: That's perfect. Thank you.

What can governments do to alleviate additional security threats or issues, or is that also a question for Global Affairs Canada?

Lori Kerr: Yes, thank you. That would be more for Global Affairs Canada.

Shelby Kramp-Neuman: Can you speak to whether or not there's been any discussion with the new government to shift the primary lens from gender equality and the environment to any other issues?

Lori Kerr: As a public policy mechanism of the Government of Canada, our mandate is to align with Canadian international assistance priorities. We manifest that through our internal strategy and our corporate plan.

The strategy that we're putting forward continues to have the three impact goals that I mentioned: climate and nature action, gender equality and women's economic empowerment.

• (1650)

Shelby Kramp-Neuman: Thank you.

Can you acknowledge whether or not the Chinese or Russians are involved at all in the gender equality space on the continent?

Lori Kerr: I'm not in a great position to answer that question.

Shelby Kramp-Neuman: Thank you.

In your introduction that was prepared, you suggest that sub-Saharan Africa represented 40% of FinDev Canada's portfolio in 2024. By sector, 59% of its portfolio was in the financial industry, 22% in sustainable infrastructure, and 18% in agribusiness and forestry value chains. FinDev Canada's most recent annual report shows \$55.6 million in net financing and investment income in 2024.

I'm just curious if you could elaborate. What does the \$55.6 million mean? What does it count for? Could you go into a little more detail on that \$55.6 million?

Lori Kerr: Are you talking about the \$56-million net financing investment income?

Shelby Kramp-Neuman: That's correct.

Lori Kerr: That's the demonstration of FinDev Canada's sufficiency and effectiveness as a development finance institution. When we make investments and we provide loans, we expect to be repaid with interest on our loans and with a return on equity on the investment. The income that we're making more than offsets all of my administrative costs in the organization. It's a show of financial effectiveness and that we're good stewards of the Canadian government capital that's been invested in us.

Shelby Kramp-Neuman: Thank you.

I'm going to pass the last minute and a half to my colleague.

Lianne Rood: Thank you very much.

I'm going to ask you the same question I asked in the first panel. How are you increasing blended finance opportunities, and is there a goalpost to reach?

Lori Kerr: Indeed, blended finance is a tool that's in FinDev Canada's tool kit. It's a very important instrument that we have. We have two concessional finance facilities, both funded by the gov-

ernment. The first one of \$76 million that was provided in 2021 focused on gender equality.

The second one, the \$700-million concessional finance facility that we have, is really focused on private capital mobilization. Through this facility, we're looking to increase risk sharing with the private sector in order to mobilize more investment within and into emerging markets. Private capital mobilization is indeed a goal of FinDev Canada. We do so on our own balance sheet as well as with this very useful tool of concessional finance where we provide blended finance solutions.

Lianne Rood: Thank you. I'll leave it there.

The Chair: We will go next to Rob Oliphant.

You have six minutes.

Hon. Robert Oliphant (Don Valley West, Lib.): Thank you, Mr. Chair.

Thank you to all the folks at FinDev Canada for what you do.

I want to lift us out of the weeds a little bit.

I don't know this for sure, but I think that, in 2017-18, there were discussions that looked at perhaps limited scarce resources on the development side in our world, not just in Canada but around the world, and there was an idea that we should change the way we do that to ensure that we have a development footprint and that we do it with a revolving fund of financing. I think, however, it's not just because of less money, but it's a better way to do development.

I would like your thoughts on this. It's not just about scarcity; it's about empowerment, engagement, mutual respect and understanding of how we deal with partners in developing countries. Obviously, Africa is the lion's share of any one region, but generally, am I right that there are collateral benefits to doing this that aren't just about scarce money?

Lori Kerr: Indeed, I would agree. I would say that development finance is a distinct tool in the broader development tool kit that Canada has. There are aid and humanitarian assistance and many things and other more commercially oriented tools as well, but development finance is really uniquely placed. We provide a bridge to commercial opportunity. We have a high-risk appetite with the traditional commercial capital, and we're really trying to pave the way for opportunities contributing to shared prosperity, to economic growth, to climate action and to social progress. All of these benefits in emerging markets then have benefits back to Canada.

It's uniquely placed in that there's a return on that investment, not just financially, as we talked about before. We're an efficient instrument because we're covering our costs, but it's also a very effective instrument in terms of building relationships and working in partnership with the countries, the markets, that we serve.

• (1655)

Hon. Robert Oliphant: In terms of partnerships, there are bilateral partnerships that we obviously have. There are partnerships with enterprises of a variety of sizes. There are also, as you mentioned, multilateral development banks, and I'm assuming the African Development Bank is where we are a shareholder, but what is our relationship with that?

Lori Kerr: With the African Development Bank, we've been looking for opportunities to collaborate with them. In fact, one transaction where we did collaborate with them was a transaction called BOAD, the Banque Ouest Africaine de Développement, which is the West African Development Bank, alongside the African Development Bank and our Italian development finance institution counterpart as well. We provided a loan to support their lending activities for small and medium-sized enterprises in agribusiness and renewable energy. We look for opportunities to collaborate with the African Development Bank and other bilateral development finance institutions that are active on the continent.

Hon. Robert Oliphant: You mentioned the Italian equivalent. Are there others? I'm also wondering where we fit in that pack in terms of capitalization: How good are we?

Voices: Oh, oh!

Hon. Robert Oliphant: Boast for a minute, if you want.

Lori Kerr: I wish I had a slide to show you, because we've actually been doing some research on this and how we fit into that broader ecosystem. We would be happy to provide that afterwards, if that would be useful for the members.

Hon. Robert Oliphant: We would like to see that.

Lori Kerr: Sure thing.

Hon. Robert Oliphant: This is a short appearance, so anything else that FinDev Canada—you know I've changed the name—can offer to the committee in terms of Africa would be helpful to our study.

Lori Kerr: Wonderful. Will do. Thank you.

Where do we fit? If we take look at the bilateral development finance universe, many countries have them. The Europeans have many. We're an associate member of the Association of European Development Finance Institutions. There are 15 European institu-

tions. I would say that if we look at where we fit, the big ones, if you will....

We'll leave aside the U.S. DFC for a moment and the changes they're going through. If we take a look at British International Investment and our U.K. colleagues; if we look at FMO and our Dutch colleagues; and if we look at several others, they're old. They're very well capitalized by the multiple, by 10 times FinDev Canada. We're a young, small and growing organization. Certainly, we have aspirations to grow much more. We can provide you with a visual that shows you where we are compared with our peers.

Hon. Robert Oliphant: What would you do with more money?

Lori Kerr: What would we do with more money? Thank you for the question. We have a solid business plan and we have a solid strategy. It would be more about scaling up FinDev Canada in the markets that we serve right now in the three regions. We could look at other opportunities but do more of the good work to provide returns to Canada. We've been very diligent in making sure that we're continuing to focus on the African region as well the other regions I mentioned.

Demand is infinite across emerging markets. For us to be able to play a more critical role to achieve the goals of Canada's foreign policy, capital would certainly help us do that.

The Chair: You have 20 more seconds.

Hon. Robert Oliphant: I'll be as generous as Lianne was.

The Chair: Wonderful. Thank you very much.

We'll go next to MP Brunelle-Duceppe.

[*Translation*]

Mr. Brunelle-Duceppe, you have the floor for six minutes.

Alexis Brunelle-Duceppe: Good afternoon, Ms. Kerr. Welcome to the committee. Thank you for joining us.

We have to keep in mind that the present study covers Canada's Africa strategy.

Can you tell the committee your specific role in Canada's Africa strategy? How does your organization fit into this strategy?

Lori Kerr: Thank you for your question.

I will answer in English, if I may.

Alexis Brunelle-Duceppe: Of course.

Lori Kerr: Thank you very much.

[English]

On the role that FinDev Canada plays in the Africa strategy, we're very much aligned with opportunities around economic growth, sustainable development and creating economic opportunities. Again, as we work with and through the private sector to contribute to growth on the continent, that's how we're aligned with the strategy.

• (1700)

[Translation]

Alexis Brunelle-Duceppe: Given that your role relates to the private sector, do you have a tool or official evaluation process to make sure there is no forced labour or child labour in the supply chains when you do business with the private sector or when you fund a project? Is there something that exists officially in the way you operate when you evaluate a project?

Lori Kerr: Thank you for your question.

[English]

Indeed we do. The environmental and social standards that I referred to a moment ago are based on the performance standards of the International Finance Corporation. This is really the global standard for development finance institution environmental and social due diligence. We look at that. We look at labour aspects, including child labour and also child labour in the supply chain. There's a working group of development finance institutions and multilateral development banks looking specifically at the solar supply chain as well. We do indeed look at that very closely.

[Translation]

Alexis Brunelle-Duceppe: My colleague, Mr. Oliphant, appeared to suggest that it's okay to decrease the international assistance budget, as long as money is put in the right place. That's what he said earlier.

You can check the blues, Mr. Guilbeault. I'll be delighted to forward them to you.

Ms. Kerr, could you tell us why the United Nations Organization, the UN, has called on countries like Canada to budget 0.7% of their gross domestic product, or GDP, to international assistance? Canada is currently contributing 0.3% of its GDP to development assistance. That's incredible. It's less than what the government of Stephen Harper was budgeting for international assistance. Do you think the UN is wrong to call for a 0.7% GDP contribution? Furthermore, some countries, such as Norway, have followed through on this request.

Lori Kerr: Thank you for your question.

[English]

I think my colleagues at Global Affairs Canada would be in a better position to answer that question.

[Translation]

Alexis Brunelle-Duceppe: You fund projects, so you must have an opinion on UN requests to countries like Canada. Don't you have any opinion on what the UN is asking for in international aid?

Lori Kerr: Thank you for your question.

[English]

What I can say is that the SDG gap is growing to \$4 trillion. There's certainly a huge opportunity and, as I mentioned before, infinite demand in the markets that we serve. FinDev Canada is playing its role to contribute to closing those investment gaps in the work we do with the private sector.

[Translation]

Alexis Brunelle-Duceppe: Do you feel there is some competition with other foreign powers on the African continent when it comes to private sector financing? China and Russia immediately come to mind. Do you feel that competition on the ground, this desire among foreign powers that are not necessarily Canada's allies to fund more and more projects?

Lori Kerr: Thank you for your question.

[English]

For us, in the work we're in, the scope we're in and dealing with the private sector, we don't feel that competition on the ground. As I mentioned, we're a partnership-oriented organization. We work very collaboratively with the multilateral development banks and other bilateral development finance institutions. It's more collaborative than competitive with them.

[Translation]

Alexis Brunelle-Duceppe: Do you have specific targets when it comes to projects concerning the francophonie in Africa? Are there selection criteria in your list of criteria when a project comes from the francophone private sector, as opposed to the anglophone sector, or that does not make any difference for you?

Lori Kerr: Thank you for your question.

[English]

We do not have a specific target. Right now, for francophone countries in Africa, our exposure's about 7% of the portfolio, but there's no specific target. They're higher-level targets than that. When an opportunity comes to us or we seek an opportunity, we look at it on the merits.

[Translation]

Alexis Brunelle-Duceppe: Sorry, perhaps I misunderstood. You say that 7% of your portfolio—

[English]

Lori Kerr: About 7% of the African exposure is in the Francophonie.

[Translation]

Alexis Brunelle-Duceppe: You say that 7% of your portfolio is in francophone countries.

No, that is not the case.

You say that 7% of assistance to Africa is committed to francophone issues.

• (1705)

[English]

The Chair: Give a brief response, please.

Lori Kerr: It's not a target, it's what our portfolio looks like. It's the results of it.

The Chair: Thank you very much.

Next, we go to MP Rood. You have five minutes.

Lianne Rood: Thank you very much.

Traditional lenders often pose a problem as a source of capital to the most underdeveloped nations due to how they cannot meet risk criteria. Does FinDev's risk tolerance differ, and how so?

Lori Kerr: As a development finance institution, indeed, we have a higher appetite for risk than traditional capital, so we're able to share additional risks with the private sector. Again, as I mentioned, we're looking to provide that bridge. We're looking to show that there are viable investment opportunities on the continent and in the other markets we serve as a demonstration effect to private capital.

Lianne Rood: Has adopting a higher risk tolerance increased opportunities and return, or has it come at a cost?

Lori Kerr: Thank you for your question. It's an interesting one.

I don't think it's come at a cost, because this is the business we're in. We're generating income to cover our administrative costs, and there are lots of opportunities. It's a matter of demonstrating, which goes back to one of the underlying questions I think I heard another gentleman talk about in terms of risk perception versus real risks on the continent.

Lianne Rood: Okay. Thank you very much for that clarification.

According to budget 2025, Canada's international assistance budget will be reduced by \$2.7 billion over four years. In a section of the budget detailing the comprehensive expenditure review savings for each department, the document indicates that:

As part of these adjustments, there will be reductions in development funding to global health programming, where Canada's contribution has grown disproportionately relative to other similar economies, and to some international [finance] institutions, which receive significant support through other sources, and where Canada's contributions can be leveraged further. Some bilateral development programs will also be refined and adjusted. These changes are expected to re-baseline the International Assistance Envelope to pre-COVID levels.

How, if at all, will FinDev Canada be affected by budget reductions?

Lori Kerr: Right now, we're not receiving additional resources on an annual go-forward basis from the government, other than the capital contributions that have been promised before. We get our capital contributions traditionally through the retained earnings of our parent company, Export Development Canada.

Right now, we're living the spirit of the austerity that the government has put forward in our corporate plan.

Lianne Rood: What are the largest revenue-generating projects that FinDev has financed in Africa in the last five years? What cash returns and jobs did they produce on the ground?

Lori Kerr: I don't have that data right at my fingertips, but I'd be very happy to provide that afterwards.

Lianne Rood: It would be great if you could provide that. Thank you so much.

Where has FinDev money ended up replacing private lenders or local banks instead of pulling them in? Has there been discussion on changing terms to attract private capital and not crowd it out?

Lori Kerr: As we go through our evaluation process to make a loan or an equity investment, we go through a process to make sure that we're not crowding out the private sector because, exactly as you said, we're supposed to be mobilizing them.

We either look to mobilize investment that wouldn't be there without the participation of a development finance institution or we go to where private capital is too leery to go right now. We take that point of crowding out private capital very seriously in the rigorous review process that we go through.

I would say that we're not crowding out.

Lianne Rood: Could you answer how many projects in critical minerals, energy or transport are ready to go? What's the average time to close? What could be done to improve that timeline?

Lori Kerr: I don't have the information right at my fingertips. Again, I'd be happy to follow up on that.

Perhaps I'll give just one clarification. At the moment, FinDev Canada doesn't work in the critical minerals sector directly.

Lianne Rood: I'll cede the rest of my time to Mr. Abouttaif.

Ziad Abouttaif: I have a quick question.

Do you compete with the private sector or do you work with the private sector? How's the relationship with the private sector as far as FinDev?

• (1710)

Lori Kerr: No, we don't compete. Our role is really to facilitate investment, to provide the demonstration effect and to crowd in private investment with the work that we do on our balance sheet as well as with blended finance solutions.

Ziad Abouttaif: As part of your mandate, are you meant to make profit or to generate activities?

Lori Kerr: It's a dual mandate. We are here to have a measurable, demonstrable development impact in the markets we serve, as well as to be financially self-sustaining.

The Chair: We're out of time.

We'll go next to MP Steven Guilbeault.

You have five minutes.

[Translation]

Hon. Steven Guilbeault: Mr. Chair, allow me a degree of familiarity, because I had the pleasure to work with Lori Kerr a number of times when I was a minister.

[English]

I think it's important for members of the committee to really understand your role. You're not a competitor to the private sector; you're a catalyst. You're a facilitator for investment.

One interesting example you could share with the committee is the initiative that was announced in 2024. One of the things we're hearing from the developing world is about having access to more concessional financing for things that would be otherwise more difficult to finance.

One other thing we hear from developing countries—least-developed countries and small island states—is that as smaller nations, they have more difficulty accessing capital than some of the larger countries in the south, including in Africa.

The initiative you launched in 2024 was a clear response to many of these things. I'm wondering if you could share with us that initiative.

Lori Kerr: I can, with pleasure.

The platform you're referring to is called the GAIA climate loan fund. The GAIA fund is a \$1.5-billion blended finance platform. FinDev Canada participated. It's the first transaction under the \$700-million concessional facility that I had mentioned. We're also working with the Green Climate Fund.

We developed and architected this with a large global bank. Again, it's \$1.5 billion. It's to support climate mitigation and adaptation. What's unique about this is that it's 70% focused on adaptation in 20 emerging markets, including 20% in least-developed countries and small island developing states. It's being very intentional around adaptation and resilience and it's being very intentional around the more challenging markets.

Hon. Steven Guilbeault: Thank you.

There was \$1.5 billion that was raised through this initiative. How much was the investment by FinDev that allowed that \$1.5 billion to be raised?

Lori Kerr: We had a \$75-million investment. I can give you the exact capital stack and follow up with more detail on it. We reached \$600 million close in October 2025 and the second close will bring us to the \$1.5 billion. The majority of that will be private sector investment whether it's pension funds or insurance companies and global banks.

Hon. Steven Guilbeault: It was \$75 million of Canadian investment leveraging \$1.5 billion of investment for developing countries, least developing countries, small island states, in adaptation, which is the hardest thing to finance right now in the climate space because it's harder to define returns. What was the reaction? How was this fund received by developing countries, some other funds that are similar to FinDev around the world and private institutions?

Lori Kerr: It's been very well received. When we went into this at the architect period of designing GAIA, it was really to create a blueprint. It was really to create a replicable model that could be leveraged and adapted going forward. It was very well received.

Hon. Steven Guilbeault: It would be really nice if you could share with the committee some of the elements, maybe press clippings of when the funds were announced in 2024 and the architecture. I do think that it is a model, and many in fact have said that it is a model that can and should be imitated to face the climate and nature crisis in countries and sectors that are more difficult to fund.

Thank you, Chair. I have no more questions.

The Chair: Thank you very much, Mr. Guilbeault.

Next we'll go to Mr. Duceppe.

You have two and a half minutes.

[Translation]

Alexis Brunelle-Duceppe: Thank you, Mr. Chair.

This is my last round. I wish to thank the witnesses for their work.

Ms. Kerr, perhaps I'm the one who misunderstood, but I'm not sure I understood one part of your presentation.

Is the share of your investment portfolio in francophone countries in Africa 7% of your total investment?

• (1715)

[English]

Lori Kerr: I'm happy to provide clarification. The current composition of our African portfolio has 7% in the Francophonie. That's correct.

[Translation]

Alexis Brunelle-Duceppe: More than 50% of countries in Africa have French as either a first, second or third official language. How do you explain the fact that the proportion of the investment portfolio in francophone countries in Africa is so low? That's not meant as an accusation, but nevertheless, I'm raising this question because in relative terms, there are more francophone countries than anglophone ones on the African continent.

[English]

Lori Kerr: I would say the opportunity to find commercially viable projects at a size and scale that would be fitting with our current strategy at FinDev Canada. It's the opportunity set is what I would say. This is why blended finance opportunities, or blended finance structures and additional concessional finances, are helpful to be able to reach markets.

[Translation]

Alexis Brunelle-Duceppe: Approximately how many of your employees speak French?

I just want to start a discussion, but if you don't have francophone employees in your organization, do you think that makes it harder to develop markets or to have partnerships in francophone countries?

As I said, this is just an observation, not an accusation.

[*English*]

Lori Kerr: I'm happy to provide the data point for FinDev Canada staff on speaking French without a problem. Again, I would say it's more of the opportunity set that's being offered in the country. Again, we can go down-market and seek more opportunities.

[*Translation*]

Alexis Brunelle-Duceppe: Nonetheless, it's surprising to see that these business opportunities account for just 7% of the portfolio, even though there are more francophone countries.

Thank you very much for your testimony. That was very kind.

[*English*]

The Chair: Thank you very much, Madam Kerr, for joining us and for your testimony today, we appreciate it. Thank you for your remarks as well.

We'll turn to Madam Fortier.

[*Translation*]

Hon. Mona Fortier: Thank you, Mr. Chair.

Earlier, I informed committee members that I wanted to table a motion today. You all have a hard copy of the motion, which has been drafted as follows:

That the Committee agree to undertake a subject-matter study of Bill C-15, specifically clauses 460 to 462 (Division 27); that it invite the Minister of Foreign Affairs for one hour, followed by one hour with officials from Global Affairs Canada; and that it forward any recommendations or proposed amendments to the Standing Committee on Finance by Thursday, February 27, 2026.

Thank you, Mr. Chair.

[*English*]

The Chair: Are members in agreement with the motion?

Go ahead, Mr. Chong.

Hon. Michael Chong: I have one question. The Senate committee studied both divisions 18 and 27. Why are we not getting division 18? Why are we just getting division 27?

Hon. Mona Fortier: I don't know.

Hon. Michael Chong: If you don't know, that's fine.

Hon. Mona Fortier: This was what I was asked to read to make sure we comply with the current motions.

It's a good question. Maybe somebody can answer for me.

Hon. Michael Chong: Thank you, Chair. I have no further questions.

Hon. Mona Fortier: I will find an answer for you.

The Chair: If there's agreement, I will consider the motion passed.

(Motion agreed to)

The Chair: Next I would request agreement from members to go in camera so that we can have a discussion on travel. We'll need a few minutes for folks to exit the room and for the clerk and his team to set up for our in camera discussion.

[*Proceedings continue in camera*]

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