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Chair

Mr. Bernard Patry

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• (1600)

[English]

The Chair (Mr. Bernard Patry (Pierrefonds—Dollard, Lib.)): Order, please. Pursuant to Standing Order 108.(2) we will continue our study on international policy.

We have a witness today from the United Nations. We have the pleasure of having Mr. Jeffrey Sachs, director of the Millennium Project and special adviser to the United Nations Secretary-General on the millennium development goals.

It's my great pleasure to welcome Dr. Sachs to our committee. Dr. Sachs is, as I just explained, the director of the United Nations Millennium Project and the special adviser to Mr. Kofi Annan, the Secretary-General, on the UN's millennium development goals. He's also the director of the Earth Institute at Columbia University, where he's professor on health policy and management. His biography, which has been circulated, lists his numerous academic accomplishments and other distinctions. We are fortunate indeed to have someone of Dr. Sachs' stature appear before us on the subject of his project's findings, in particular the recommendations from his recent major report, *Investing in Development: A Practical Plan to Achieve the Millennium Development Goals*.

We look forward, as well, to benefiting from Dr. Sachs' views and advice in regard to Canada's role in meeting these global development challenges.

[Translation]

I wish to specify that this is far from a new concern for our committee. I also want Mr. Sachs to know that the committee has truly taken advantage of his important research work on development problems, debt and economic adjustment, and on the IMF and World Bank policies, particularly to write its report on Canadian policies and programs concerning official development assistance, on the third world debt and on the reform of international financial institutions.

[English]

We also take note of the message of Dr. Sachs' new book on ending global poverty, reminding us that this imperative is central to our common security and future as a global community.

Just before Easter we had the privilege of hearing from World Bank president Mr. Wolfensohn. Your perspective will indeed be a worthy follow-up on that testimony.

Dr. Sachs, the floor is yours for opening remarks, after which I will go to my colleagues for questions. Thank you very much, and welcome.

Mr. Jeffrey D. Sachs (Director of Millennium Project, Special Advisor to the United Nations Secretary-General on the Millennium Development Goals, United Nations): Mr. Chairman, members of the committee, let me say how honoured and absolutely delighted I am to be with you. I really hope I can be of help as you consider the very important question of Canada's development assistance strategy, both amounts and types of aid, and how to promote global objectives of reducing poverty, reducing disease, reducing suffering, and thereby also increasing international security.

We meet at a very important time. 2005 is a pivotal year. In fact, we go so far as to say it is the make or break year for the millennium development goals. That's because we're rather anguished that these goals have been set for the year 2015, they were established in 2000, and we have a decade left. And I can tell you the situation from the ground in Ethiopia, or in Kenya, or in Senegal, or in other places where I've been recently looks quite desperate.

The consolation is that—I believe to a trained eye, and with the experience and benefit of more than 200 colleagues who participated in the Millennium Project—while the situation is desperate in many ways, it's not hopeless. There are practical approaches to fighting extreme poverty, reducing suffering, saving lives, and helping places that seem absolutely without hope to get on a path of development and increasing security and stability.

Our plan is called a practical plan because we wanted to get away from high theory and talk about the practical things that can be done: things as simple as bed nets treated with insecticide to cut by more than a million deaths per year the number of children who are dying of malaria in Africa right now; things as simple as rainwater harvesting and soil nutrient replenishment to enable Africa to grow enough food to feed itself and thereby to unlock economic development. These are very practical, straightforward investments that need to be made. Our overwhelming sense in studying the situation...and I've been doing this for more than 20 years intensively, and in our project for three years, and before that in work for the World Health Organization for many years looking at the disease crises. Our basic finding is the following.

There are practical things that can be done. They are essentially of the character of investment, investment of three kinds: investment in people, meaning in their health, education, nutrition, and sexual and reproductive health, including family planning; investment in the physical environment, meaning soils, water, land, and habitat for biodiversity; and investment in basic infrastructure, meaning roads, motor transport, electricity, safe cooking fuels, and communications. These are the three kinds of investment. The reason people are dying of their poverty is that they don't have the basic tools in these three categories: investments in their own human capital, as economists say—kind of an ugly expression, but still it's the one we use—investment in the environment in which they live, and investment in basic infrastructure.

You can put a price tag on these investments, Mr. Chairman, The incredible thing about our planet is that the poor are now so poor, the technologies are now so effective, the rich are so rich, and the share of the world that is in extreme poverty has fallen sizably, significantly in the last half century, that this famous 0.7% of GNP is enough to make the investments that mean the difference between extreme poverty and the escape from poverty. That's the beauty of the 0.7% right now. That envelope is enough to carry out a comprehensive fight against extreme poverty and win it. There's no doubt that if the money is there, and if the good, rigorous science-based approach to what needs to be done is there, there's one huge additional challenge, and that is translating assistance into real results on the ground.

• (1605)

There are some places in the world where I don't think this can be done right now. In Africa, we've just witnessed another stolen election in Zimbabwe. It's a place of massive corruption and violence. I do not see how Zimbabwe can meet the millennium development goals right now, because the governance is so bad that there is no mechanism for transferring help into effective results on the ground at the scale that would be needed.

But I'm afraid the mistake we often make, Mr. Chairman, especially in my country, is that too many people think Africa is one country. They read the headlines from Zimbabwe and they assume it's all hopeless. Of course, I travel extensively throughout Africa and like to remind my fellow citizens that sub-Saharan Africa has 49 countries. Many of them are open, peaceful, reform-minded societies, but just desperately poor and even dying as a result of their poverty. Two weeks ago, I was in Senegal. I was also recently in Ghana and recently in Ethiopia. These are places that are at peace, thank goodness, with governments that are determined to help their people escape from the extreme depths of poverty, but those governments lack the means to do so on their own. What we argue in our report is that we ought to be helping those places much more proactively, not simply be bemoaning the terrible tragedies of the Zimbabwes of the world and not be seeing the terrible tragedies of badly governed countries as obstacles to helping well-governed countries.

I don't know whether it's a lack of understanding or sometimes games that are played, but I hear all the time that there's no way to help because the governance isn't there. This is emphatically not the case. It's only the case in some places, not in others. It's the tragedy that even the stable and relatively well-governed yet impoverished

countries don't get help at anything like the levels they would need to make those basic investments in people, in the environment, and in infrastructure, to make the difference.

So here's what we're proposing, to be brief. We're proposing that all donor countries make the commitment.... Actually, they've made the commitment, so let me rephrase that. We're proposing that all donor countries honour the commitment to 0.7%, but in no place with a blank cheque, in no place with automatic disbursement of money, in all places with a hard-headed, practical attitude.

When countries come forward with plans that make sense, that need investment, that are targeted at meeting the needs of their people, we should not be the binding constraint. We shouldn't tell countries, as we do right now—and I could go down the list because I've seen it for twenty years—“Don't think so big. Don't believe you should survive. Don't believe your children should get bed nets. Don't believe you should get out of hunger. We're not helping you”. That's what we tell them right now. We don't tell them in exactly that way, but we tell them in a way that's shockingly close to that.

What I'm saying is that we should be prepared to honour our commitments. Let's have the money available to back real plans when there are real plans. Let's help our own citizens to understand that we are stewards and that you are stewards of their money, no doubt. I speak also with the understanding that working people don't have such an easy time making money like this available, so it has to be used with great responsibility. But there are places where this can be done where it is not being done right now and where children are dying by the millions as a result of this. I can't believe that any Canadians or citizens of the United States really want that to go on.

• (1610)

So the commitment is this: be ready to provide the financing, make a timetable to 0.7% before the year 2015. As the Secretary General has said, be tough and hard-headed about it—there is no reason to be soft-headed. Engage with countries. Make it clear that we're ready to do more. We, as donor countries, must be ready to help with real resources and real plans of action. If we do this, I know heads of state all over the impoverished world who will be effective, responsible partners for the sake of their own societies. I know of countries that could make breathtaking gains in helping their people to escape from extreme poverty. This is the year to make it happen.

So far, the Canadian government has not done this. I think it's a big mistake, and I've told them so. I know Prime Minister Paul Martin reasonably well, and I believe he is personally committed to this cause. I know that the finance minister just signed the Africa Commission Report, which is in conformity with this plan of action. I cannot figure out for the life of me why Canada isn't one of the countries that have made a clear commitment. This is the country that first envisioned this goal, in the time of Lester Pearson in 1969. We have championed the cause. This is a country with a fast-growing economy, an ample budget, and a willing national leadership. The opposition supports these goals as well. I see no obstacles. I don't understand what stops Canada from leading right now.

That's why I'm pleased to be here today. I feel that Canada is on the point of assuming a position of leadership, which is Canada's natural place in world society.

Thank you.

• (1615)

The Chair: We'll go to questions from the opposition. There will be ten minutes for each party. We'll start with the Conservatives, and they'll split their time between Mr. Day and Ms. Stronach.

Mr. Stockwell Day (Okanagan—Coquihalla, CPC): I appreciate the practical things you're talking about. You've got the expertise to determine where and how money can be best spent.

I agree with you also about the risk of making poverty a political football, which we don't want to do. Our government should move towards these goals and show that they're doing it.

The condition of poverty is not an accident, nor is the condition of prosperity. I appreciate what you're saying about societies. You mention Zimbabwe. If we were just to dump the money in there, maybe there'd be more roads, but the wrong people would control them and it wouldn't move many people out of poverty.

Understanding that we don't want to impose our cultural standards on another group of people, we need to recognize that there are basic principles that lead to prosperity or poverty. How can we best put pressure on problematic regimes, so that we can know that the money we want to give will not be wasted?

Ms. Belinda Stronach (Newmarket—Aurora, CPC): Thank you, Mr. Sachs and Mr. McArthur, for the leadership role you've taken and for being here today.

What should Canada do to show moral global leadership on this issue? What is the status of the other G-8 countries in reaching the 0.7%?

The Chair: Dr. Sachs, please.

Mr. Jeffrey D. Sachs: First, with respect to the bad regimes—and there are many—the most important thing we can do by far is to help the good governments. If you want to help turn Zimbabwe, then help Mozambique, help Tanzania. Help them escape from extreme poverty.

The irony is that we don't even help the well-governed countries to get out of the trap of poverty. It's very hard with a bad regime to change it or to base it on conditions, because they won't be complied with, most likely. I also don't believe in economic sanctions, I have

to say, as a general matter, because I don't think they work and I think they punish the populations.

I do believe in speaking out. I believe in explaining that Zimbabwe is not a country we can do business with right now. I believe in monitoring elections and holding countries to standards of international decency, and so forth.

But I also believe that the most effective thing we can do is to recognize that there are many governments desperate for help that would love nothing more than to work together with Canada and other countries on practical plans to address their urgent needs.

Right now I can tell you—it's hard to explain, actually, because it's hard to believe—there is no money on the ground for real things right now. I can't tell you how hard I fight to help get nurses hired in situations of health catastrophes. I've been fighting for years to get free distribution of bed nets for malaria, but instead USAID and DIFID have wanted to sell the nets, and it's ridiculous, frankly. I'm using strong language because I'm talking about children dying. They don't have enough money to properly just distribute these nets, so they do social marketing. It's a failure, because we can't sell things to people who have nothing. All they have is malaria. They don't have the money to buy a malaria bed net.

The most practical things in the world do not get done right now because there is no cash available for practical investments. It's shocking. It's the reality I'm trying to convey from 20 years of work in this.

In Kenya, which is a little bit complicated because they're in transition from a pretty miserable government to what they have right now—which is divided between part old guard and part very reformist—I've set five goals for 2005, just to be very concrete: 4,000 nurses to be hired, and it's probably about \$15 million to do that; several million bed nets—and I'd go into the details about the timing, but it's not worth it—to be distributed to fight malaria; 100,000 people to be treated for AIDS on antiretroviral therapy; several thousand community health workers to be trained to work in the villages; and several dozen sub-district hospitals to be equipped to do emergency obstetrical care, including C-sections.

These are very practical, straightforward, quantifiable, monitorable goals. There is no magic about any of this.

I've been working for a year and a half with the donor community, as it's called, to get something done. Nothing is being done, as far as I can see.

The pain... I go to these clinics in these communities. You know, it's three people to a bed now in the hospitals; it's 70 patients for one nurse; it's nurses who break down and cry to me that they work eight hours and don't have time to do anything. They spend three or four minutes with dying patients.

If you go to a hospital; you've never seen anything like it in your life. Then you go to the donors, and it's all hand-wringing: "Well, we have to study the human resources situation. We're not sure. Would the nurses be effectively used?" Well, damn it, go look at a clinic. Go see the reality, any place.

When I leave these clinics, by the way, the heads of the hospital grab me: "Can you please send us a couple of nurses, Professor Sachs, a couple of nurses?" You try to get anything done. Then the donors, USAID, my own citizens from the United States, grab me and tell me I was so right, that they had their aid budget cut again; it has been diverted to Iraq or it has been diverted to Afghanistan or somewhere else.

• (1620)

The reality is that we have all this highfalutin talk, but we have no money on the ground to actually do practical things. That's the reality. How can we talk about Zimbabwe when we're not helping in places where we could help? It's not that we shouldn't talk about Zimbabwe; we should talk about Zimbabwe, but we should help where we can practically help.

You have one of the most reform-minded leaders of Africa as the health minister of Kenya, for example. Charity Ngilu fought the old regime bravely. She helped bring together the coalition of democratic forces. I've travelled the country with her. She is absolutely committed to not having the mothers of Kenya die in childbirth and to not having the children die from malaria in front of your eyes, which I see regularly. It's an ugly sight to see a disease that can be treated for a dollar, but the medicines aren't there right now because Kenya is impoverished.

We can't figure out a way to be practical. We do studies.

The World Bank vice-president sent me a letter last year that I found appalling. It said: "Thank you for your letter, Professor Sachs, about the nurses, but we're not sure that Kenya's health budget is being used effectively". I wrote back to him and asked him if he was kidding. It's \$6 per person per year. How can you talk about the effective allocation of \$6 per person per year? This is mass death. You can't run a health system on \$6 per person per year. We spend thousands per person per year in Canada and the United States, but he wanted to fix \$6 before recognizing that it ought to be \$20, \$25, \$30, or \$35. Get off it. They don't write those letters to me anymore, because they know that I'll quote them at parliamentary committees.

This is a shame, because it seems to be a game. It's not a game; it's a tragedy. So let's help the places where we can help.

What should Canada do practically? Canada should commit to 0.7% by the year 2015, with an intermediate target of perhaps 0.5% by 2009. That's what the Secretary-General has recommended.

Canada should join the other countries that are doing this and should not be the second from last. I don't think Canada will be last. Washington will help you in that regard. But I think that Canada could end up being second from last. It's awful, because the faster Canada acts, the faster we're going to get responsibility in the international system, as well as a direct role for Canada.

Canada should take on at least a dozen countries. Twenty-five may be too many, by the way, as you focus. Canada should be able to

say that in a dozen places, we're working with other countries to make the millennium goals real and we know the truth. Canada has to know the truth in its own mind. We're not doing this right now.

I'll stop.

• (1625)

The Chair: Thank you.

We'll now pass to *Monsieur Paquette, s'il vous plaît.*

[*Translation*]

Mr. Pierre Paquette (Joliette, BQ): Thank you, Mr. Chairman. I will share my time with my colleague, Mr. Bellavance.

Thank you also for your presentations. Your reference material is quite impressive. Of course, we have not had the opportunity to fully appreciate all the information presented in the documents you have circulated.

I would like to go back to the debt issue. It is an important debate and there is no consensus on the approach we should take about the poor countries external debt. In your document, you mention an approach based on an extensive and generous debt relief. I also understand that we should have different policies depending on the level of poverty. Could you elaborate on that? Indeed, in many countries, the external debt problem is such that the public assistance arriving in the country is often lower than the amount of money that goes out to pay the interests on that debt.

Another element you have talked about—and I would like you to elaborate on that also—is the importance of coordination between the different international and regional institutions on financial matters. I think we will all agree on that. You talked in particular about the World Bank, the International Monetary Fund and the regional development banks. At that level, is there a real coordination, or at least a will to work with the UN team responsible for development? I know there have been very serious criticisms, especially about the structural adjustment policies. I would like to have your opinion on that.

Maybe my colleague could ask his question right now.

The Chair: Mr. Bellavance, please.

Mr. André Bellavance (Richmond—Arthabaska, BQ): Thank you, Mr. Chairman.

Mr. Sachs, thank you for being here.

My question is about international assistance. Canada is no longer a model. In the middle of the 1980s, 0.5% of our GDP went to international assistance. So we were close to the 0.7% target. We could have thought that we would have reached it, some twenty years later, but on the contrary, less than 0.3% of our GDP now goes to international assistance. Therefore, we are far from being a model, in spite of the promises made by Prime Minister Paul Martin to Bono and others.

Can you talk to us about that? Also, how can the UN put pressure on the developed countries, like Canada, who tend to decrease their assistance rather than increasing it? Even though it is now going up, as I was saying, we still allow less than 0.3% of our GDP for international assistance.

Mr. Day was talking earlier about what we could do to put pressure on developing countries, but I would like to know if we could also put pressure on developed countries.

●(1630)

The Chair: Professor Sachs.

[*English*]

Mr. Jeffrey D. Sachs: Thank you.

I forgot to fully answer the question earlier, but it gives me an opportunity to explain where countries are on the 0.7% right now.

There are 22 donor countries that are part of the Development Assistance Committee, the DAC. Five of them have been long-standing 0.7% countries, the Nordic countries of Sweden, Norway, and Denmark, and also Luxembourg and the Netherlands. Six more countries have recently set a timetable to reach 0.7% before the year 2015. They are France, the United Kingdom, Belgium, Spain, Ireland, and Finland. I believe it's quite likely that Germany will soon announce a timetable. If Germany does in fact announce a timetable—and we've heard privately that it will, but have not seen a public announcement—I believe there's a good chance that the EU-15 donors, the original 15 EU countries before enlargement, will all make this commitment. That would add Italy, Greece, and Portugal.

One of the things motivating Germany is the link between enlargement of the UN Security Council and the 0.7%. The two reports that went to the Secretary General, and the Secretary General's own report, made that link in saying that countries who aspire to international leadership have a special obligation to fulfill their commitments. Germany and Japan have taken note of that. I would add that if Canada aspires to lead the L-20, for example, this also raises the stakes for Canada, because where is the presumption of leadership without the responsibility of following through on commitments?

The point about 0.7% is that these are not our request for commitments, but these are commitments that have already been made many times, or innumerable times, one could say, and have not yet been fulfilled.

So I think the pressures on Canada are peer pressures, pressures of internal history and politics, and pressures of practical and moral responsibility. I think they all move in the same direction, and that is, how long can the world go on divided between the wealth we have and the poverty that kills and not act, yet expect to somehow hold together? I don't think it holds together very well, and I don't think the situation, if we miss 2005, is likely to be very beneficent for us—or for our children, quite frankly.

In terms of debt and coordination, what's happened with debt is that the G-7 has now said repeatedly that there should be 100% debt cancellation for many countries, but the G-7 hasn't been able to decide how it should be allocated. So I have a proposal, which I have given to the African presidents and prime ministers, where I say,

while the creditors work out all of this, I would recommend that you just stop paying. Frankly, what the creditor world has said is, we agree that you shouldn't pay, but we can't agree how it is that you shouldn't pay; we can't say whether you, the U.S., or someone else should make up the difference, or if the World Bank should make up the difference, or if the gold reserves should make up the difference.

So we have all these technical arguments among our finance ministers, and in the meantime, Ethiopia, Senegal, and Ghana, and others, continue to pay their debts while we discuss among ourselves in what way they should not pay their debts. My advice to them is just to stop. I call it taking the creditors out of their misery, because it makes no sense to me. Just to be very clear, what I also tell them is, when you stop, make it transparent that the money goes either into an escrow account, or directly into emergency help for children to keep them alive—for bed nets, for immunizations, or for primary health care, or for basic schooling. In other words, show the link between the end of debt service and the investments in your children. It's not a game. You have a responsibility to make that transparent.

●(1635)

But my serious advice to African leadership is to stop paying, because the creditors have already said that's the right thing to do. They're bickering over gold valuation issues, while this can go on for ages. In the meantime, children are dying. It makes absolutely no sense to have children's deaths because the U.S. treasury secretary and the finance ministers in Europe and the Canadian finance minister can't figure out yet a way that they can all agree to tell these countries to stop paying. That's my basic thought about that.

In terms of coordination, the mood is pretty good among the professional community. Mr. Chairman, I don't want to belabour with too-long answers, but let me just tell you how the situation works right now, in ground reality in the world. The Prime Minister of Ethiopia and I launched a public event about the millennium development goals in 2003. He spoke brilliantly about agricultural renovation in Ethiopia. Someone asked him from the audience, "Well, what about health, Mr. Prime Minister? We have life expectancy of 42 years". He said, "Health has to wait until we're more developed".

He and I went back to his office afterwards, and I said, "'Prime Minister, I don't agree with that answer", and he said, "Jeffrey, what can I do? The IMF just told me there's no money for health care in this country". I said, "That's outrageous". He said, "Well, that's the IMF".

So the next day I got back to New York and called the IMF leadership. The senior deputy managing director of the IMF got on the phone and said, "What are you complaining about today, Jeff?", and I said, "Today I'm complaining about Ethiopia". "Well, what's the complaint?" "That your people are telling the Prime Minister to have no health program". She said, "What do you want us to do? There's no donor assistance for health in Ethiopia". And I said, "But, you know, Ethiopia doesn't stand a chance of meeting the millennium development goals. Their life expectancy is 42". She said to me, "Please understand, Ethiopia has no chance to meet the millennium development goals". I said, "I beg to differ. It's a matter of making the basic investments, and those goals can be met". She said, "Jeffrey, there's no money for aid. What do you want us to do? We don't print money". I said, "Please just go to the National Press Club today and make the speech of what you just told me. Tell the truth to our public".

Well, the speech never got made because our public doesn't know why children are dying. Our public doesn't know how many lives could be saved. Our public doesn't know that this isn't a matter just of numbers, it's a matter of millions of lives every year. They're not told that, because what the IMF does right now is enforce the budget constraint that we, the donor world, set rather than telling the truth and letting our public know about what we could do. This anguishes the professional staff of the IMF, but it doesn't get solved yet. That's the truth.

The Chair: Thank you, Mr. Sachs.

Now, we'll go to Mr. Martin and Mr. McTeague.

Mr. Martin, go ahead, please.

Hon. Keith Martin (Esquimalt—Juan de Fuca, Lib.): Thank you very much.

I'll be sharing my time with Mr. McTeague.

Dr. Sachs, thank you very much for being here today. I share your sentiments with respect to Africa. In my 23 visits to the continent, I have seen more resourceful, tenacious, remarkable people than you'll find anywhere else on the planet. They just want to have a chance, as you have said.

I have two questions. The first one is how we can make our aid actually work better practically. We've all seen too many SUVs running around in the developed world. As part of the donor community, how do we, as a country, and with other countries, work to make sure our aid is working better on the sharp edge, to focus on the big five that you mentioned in your book?

My second question refers to conflict and massive corruption—and one could use Kenya as an example of the latter. We have right now, as you'd probably agree, a wonderful judicial framework in the world, but one without an enforcement mechanism. We have a responsibility to protect without an obligation to protect. Dr. Sachs, how could we, as a country, lead on producing that enforcement mechanism that we need and also the obligation to protect, which must back up that responsibility that we speak about so often?

• (1640)

The Chair: Thank you.

Mr. McTeague.

Hon. Dan McTeague (Pickering—Scarborough East, Lib.): Thank you, Chairman.

Dr. Sachs, thank you for being here, and thank you for that very eloquent and very direct prodding. I know we're all ears here.

Sir, if I could also perhaps add to what my colleague Mr. Martin has discussed in regard to your take on the notion of debt relief and the initiative by our government in that regard, in that all debt ought to be simply expunged, I think you have quite eloquently and very clearly suggested that. Could you help the committee with that as well, in terms of where we ought to go? And that goes well beyond the ambitious goal of 0.7% in the Pearsonian era, as you've quite readily pointed out, and it's something we are trying to achieve here as well.

Looking in terms not so much of mechanisms of coordination among donors, NGOs, and other organizations, but also among countries, what would be a recipe for getting countries to coordinate, in your view? Are you contemplating other bodies, other organizations, other mechanisms that might have better outcomes?

Finally, how successful can we be in combating malaria or other diseases that are concomitant with HIV/AIDS, river disease, and tuberculosis if the cost of those drugs, notwithstanding the Doha Round and all the successes that are much vaunted, continue to be elusive? Would 0.7% be enough if we're going to pay these kinds of prices, which tend to be impossible for the donor countries, let alone for the individuals who desperately need this aid?

The Chair: Professor Sachs.

Mr. Jeffrey D. Sachs: To the question on aid and how to organize it, first I would recommend that we identify a few countries of promise to just get started right now. Let me give you a list—it's not comprehensive—of some of the countries I would have in mind in Africa, and I could explain any one of them if you wanted elaboration. There's Senegal, Ghana, Kenya, Ethiopia, Mozambique, Malawi, Madagascar, Mali—just to start.

On Kenya, let me add that I know the Kenyan government pretty well. There are some pretty awful parts of it, and there are some quite remarkable reformist parts of it, and I believe we can find a way through that thicket—just to be clear about that.

In general, for all those countries I mentioned, I believe the following is possible: identifying the practical things that need to be done; finding mechanisms for those investments to reach the villages, basically, where the poor live; monitoring what's being done; auditing what's being done; and demonstrating results. On all of those, I think that should be done.

What we believe needs to be done is that countries and the donor partners.... And we really ought to make that term vivid, because after all, Lester Pearson called it “partners in development”. He really coined the phrase. Now we talk about development partners that are barely partners. But we want a real partnership. I think the countries and the donors should sign a very clear compact that states some basic principles. I don't mean signing 100 individual aid agreements, but an overall compact that commits both sides to some very clear standards.

First, the aid should go to support an MDG-based strategy. That sounds like a lot of jargon, but the idea is to aim for achieving the millennium development goals. They're quantitative, they're time bound, and strategies should be organized to achieve them.

Two, the aid should come with a 10-year perspective, because we're trying to achieve the goals by 2015. That's why 0.7% by 2015 is so important. We need this decade to get this job done.

Three, the aid should come in a transparent manner that backs up a country's own strategy, not a donor's own pet projects. This is pretty obvious. It's harder to accomplish than to say, but it's pretty obvious.

Four, the aid should be subject to quantifiable targets, monitoring, and audits, and the countries should be required to sign up to that. I want our auditing companies, the private sector, to drive through the villages of these countries and see if the bed nets are there, if the clinics are there, if the doctors are there. This is no joke. This is a business proposition. And the business proposition is: we give real aid, and they really deliver. We don't do either of those things right now. When I worked in Poland, the expression was, “We pretend to work and you pretend to pay us”, and now the expression is, “We pretend to aid you and you pretend to reform”.

We need to do the real things now.

What we're proposing is a real contract, actually, and I'm going to propose it specifically to a number of countries. I want the donors to sign their names to this, which they don't like to do. They're going to go into an uproar: “We don't sign just because Professor Sachs says to or the UN says to”. Seriously, I want a signed document that says, here's the mutual responsibility. The countries will open up the process for auditing and the donors will promise a consistent, coherent, reliable supply of money to back a quantified investment program.

Then I want you to be able to tell the Canadian people that this is not business as usual, that we're going to be able to measure step by step what's being done. We're not giving money when the bed nets don't reach the communities. This is something new, something real, and it's against targets. And we're going to meet the targets because the people want to meet the targets. The publics want to stay alive in these countries.

• (1645)

The villages are organized, by the way. They have nice committee structures. They can actually deliver. They're not playing around; this is life and death for them, so if we can get the commodities and the aid down to that level, you're going to see good governance.

As a general mechanism, we need to get away from this horrendous long list of negotiations over individual pet projects.

We need a contract, and we need monitoring and evaluation against, basically, a national program with a 10-year perspective.

This can all be done. We're going to work with a number of governments, and I'd ask the Canadian government to consider the idea of championing this in a few places so that Canada will come to the lead and say, yes, we'll help pull the donors together so that, on our side, the country isn't dealing with 22 random processes but is really dealing with the partnership, and we'll try to get this kind of deal in place. Let's pick a few places where the governance isn't the worst, where this can be done and where we get an agreement by the governments also. Yes, they'll be audited. You give us real things; of course we'll be ready to be audited on this.

On fighting disease, on malaria control, the cost of a comprehensive malaria control program, with actual prices of the drugs, the new generation that's needed, and so forth, is \$3 per person per year in the rich world. There are one billion people in the rich world, if you count Canada, the United States, Europe, Japan, and a few other developed countries—a billion people. Three bucks from each is \$3 billion a year. This would be enough, scientifically, rigorously, to save more than one million lives per year. It's incredible.

The drug of choice right now for fighting malaria is called artemisinin combination therapy, and Novartis is the main producer of the main drug. They have committed to making this at cost, no profit. They are committed to a massive scaling up of production so that there will be 220 million treatments available as of 2007. They're doing massive building of this, but we need a project to finance this stuff, and we need the donors to get out of this idea of trying to sell things to people who have nothing.

So I'm going to be proposing to the Secretary-General and hope that he'll be proposing to the G-8 very shortly what we call a “quick win” to fight malaria, a specific project so that by 2008 all Africans who need it will have access for free to an anti-malaria bed net and access for free to effective medications to cure them when they get sick. So one is for prevention and the other is for treatment.

• (1650)

The Chair: Thank you, Professor Sachs.

We'll now go to Madame McDonough, please.

Ms. Alexa McDonough (Halifax, NDP): Thank you very much, Mr. Chairman.

Thank you, Mr. Sachs, for being here with us today and for the incredible leadership, both in terms of your passion and in terms of your practicality, in trying to advance this agenda for the millennium development goals.

In some ways, I think it's totally unfair what we do to visitors like you. First we ask you to provide international leadership, and then we ask you to come here and share with us our angst about our own country not living up to its commitments. Such is the toll that we take on international leaders.

I have a couple of questions that arise out of your presentation, but also out of the fact that another of your international development leader counterparts, Stephen Lewis, appeared in my own province, in my riding in Halifax, last night and put forward an absolutely eloquent argument for the millennium development goals agenda.

At the grassroots, I think it is our sense that this is what Canadians want us to do. You probably sense the sort of frustration and shame we feel, that instead of being the leaders and bringing the developed countries to 0.7%, we end up being among the laggards. Canadians at the grassroots seem to really get this and rally. It is Rotary, it is just grassroots folks who want to help in their own community and help in the global community, and they seem to share the same frustration.

My couple of questions are around how we move forward with acting on that genuine sentiment to make the right choices. It's about putting certain building blocks in place. It's not about rhetoric. The declarations of commitment have long been made, and what we've been doing is going backwards.

One question I would be interested in hearing you comment on is whether you think it is a useful strategy for us to be trying to push forward to persuade the Canadian government to adopt the kind of legislative framework that, for example, you've seen the U.K. putting in place for international development assistance, and whether there are examples of that you think we should be inspired by, and maybe not adopt holus-bolus but emulate in general.

Secondly, the question that very often arises in individual communities is whether in raising funds to contribute to international development—hopefully inspiring government to be more generous in its response—the efforts are best directed to the major NGOs, because they have an infrastructure and so on, or whether communities should be encouraged to be trying to develop partnerships of their own with local communities.

Thirdly, the question at our own national government level is around the choices to be made between multilateralism, bilateralism—nation to nation—and funneling moneys through NGOs.

I know those are broad questions, but I think we'd really benefit from any advice you'd be prepared to give on those three questions. Thank you.

The Chair: Mr. Sachs.

Mr. Jeffrey D. Sachs: Thank you very much. That's a tremendously important and practical question.

Let me first say I do believe there is major grassroots support in America also for doing these things—when people know about them. In the United States, the main issue is that people are not

aware of how little we're doing. The U.S. opinion survey showed Americans believe we're roughly 30 times more generous than we are, so there's a huge overestimate. Americans generally believe aid doesn't work, because of corruption and so forth, so they say they'd love to do something, but they don't believe it works.

So there's a skepticism about the actual practice, but there's not cold-heartedness. That's for sure. There's some confusion and there's skepticism, but not cold-heartedness. We saw with the tsunami the incredible outpouring of response. People are absolutely touched and moved, on moral grounds as well as on practical grounds, if they know and have the confidence that what they're doing can make a difference. In Canada we have the Make Poverty History campaign, which brings together lots of NGOs, and that represents a tremendous amount of grassroots engagement as well. Because I'm speaking about this a lot, as you might imagine, I'm finding a tremendous sentiment all over the United States—no sentiment of keep your hands out of my wallet, I'm not interested, but lots of questions about how to do this, how to show it will work, what's practical, and how to get involved. There is that to tap, and I would imagine it really is very strong in Canada—but again, when people are focused on it, because it's not necessarily their daily awareness. When they do find out, they want to respond.

In terms of legislative framework, I would recommend making the millennium development goals the centrepiece of the foreign assistance strategy so there is a consistent set of goals. Sweden has done this beautifully. Sweden has a legislative framework of coherence around foreign policy. They say, “We are goal based and we want to make sure, in all our different areas of policy, we're fulfilling the international goals we've adopted and share with others—aid, trade, and other areas”. I think that it's a very impressive model. Some other countries I know too well say, “Oh, did we sign something? Never heard of it”. That's the opposite approach. So I would recommend a legislative framework to assure consistency in following through on the commitments.

How to contribute? ODA is vital, and it's important to remember where 0.7% came from. It came from 1% of national income of the rich world going to the poor, with 0.7% official and 0.3% private. The model, all the way back to Lester Pearson and before, was not 0.7% as the end, but 1% divided between private efforts and public efforts. We need both. They serve different roles and have different functions. Private NGOs can do a lot of creative things bureaucracies can't do as well. They can experiment and explore; they make human-to-human contacts; they do all sorts of wonderful things. They engage our lives and our communities in ways that simply paying the tax dollars into development aid could never do. So we need both the public and the private giving.

But we also need a way that gives a scaled response to the challenge abroad. One little project after another does not add up to breaking out of extreme poverty in Ethiopia. There are 70 million people, and we need something that reaches the scale of this challenge. For that, what we really need, at a large scale, is official development aid, pooled with other donors, to support an investment strategy put forward by the government, and an implementation mechanism.

• (1655)

That's a lot of jargon, and I don't want to make it seem hopelessly process and bureaucratic, because what's really needed is to find a way so that village by village they can get safe drinking water, bed nets, a clinic, a school, help for their farmers to grow more food. You need a strategy that has enough finance and enough mechanism so that in thousands and thousands of villages in a country, real investments on the ground can be undertaken.

NGOs are not great at that scaled response, because they tend to work in a community here, a community there. Sometimes they can help at a scale. Oxfam and some of the big ones can help at scale, but we need a way to also simplify the delivery process.

Let me put it another way, if I can. The main way these countries will break out of poverty is not by our going with legions and legions of people from here, although the visits and the direct contact is wonderful from a human point of view. These are people who need help to save themselves. They are the farmers, nurses, community health workers, but they have no tools, no medicines, bed nets, fertilizer, approved seed, drip irrigation, and the other things that, for them, are the tools to escape from poverty. First and foremost, it's not technical assistance. First and foremost, it's not Peace Corps, although that's a good program for what it does on human contact. First and foremost, it's the financing of the basic investments that are needed at significant scale to make the breakthrough from chronic hunger, underperformance of agriculture, lack of access to safe water, lack of access to medicines.

Fortunately—if you've had the experience I've had in your 23 visits—you go a community and they're ready to work. They know what they need to do desperately, but they just lack the resources. We need to help them. It's not even sending them money—send the bed nets instead, send them medicines instead. The people want the tools to develop. They don't want the cash to steal; they want the tools to develop, but on a scale that's commensurate with the challenge.

• (1700)

The Chair: Thank you, Mr. Sachs.

I'll take one question from Mr. Sorenson without preamble, another one from Ms. Phinney, I have a question also, and then we'll close.

Mr. Sorenson, please.

Mr. Kevin Sorenson (Crowfoot, CPC): What about sending wheat instead? What about sending grain instead? I think we have a policy of purchasing and trying to deliver it as quickly as we can and we aren't necessarily sending our own locally produced grains in some cases, but that's not my question. My question deals partly with what the parliamentary secretary asked about debt cancellation. One of the individual we had in here said that many countries don't want

to buy into the debt cancellation program because it affects their credit rating. Some countries are quite willing to maybe not eliminate but cancel a certain degree of debt, but then some of these developing countries are concerned it may have an effect on their credit rating for borrowing later on.

Could you comment on that, please.

The Chair: Ms. Phinney, your question.

Ms. Beth Phinney (Hamilton Mountain, Lib.): I know we don't have the preamble, but recently in Haiti they had a number of government representatives go down and made some commitments. I understand that maybe they're doing a little of this accountability that you're talking about, because I think each country had to take on a project and they're supposed to report back on how it's going. I'm wondering if that is backing up a little on what you're asking for, accountability.

My other question is, are you suggesting we take our 0.7% and whatever the dollars are and send one person down to Ethiopia to ask how many people need bed nets, and they give us a number, we come back and buy them—make them first, I guess—and send them down to them? Is that how you see us doing it? So rather than, say, in Hamilton we collect money and send 43 bed nets and the Red Cross sends 5,000 bed nets, we pool this and have one person go down and make the agreement? Do we send somebody down to account for it afterwards to make sure they're out there?

• (1705)

The Chair: My question for you, Professor Sachs, is this. In one of your reports, a key recommendation is that international donors should identify at least a dozen fast-track countries capable of absorbing a rapid increase in aid. You name a few countries. That's fine. It sounds very appealing.

My question is, if we agree to concentrate on fewer countries, with coordination or help with like-minded states, what will happen to the needy people of the other countries?

Mr. Jeffrey D. Sachs: Let me speak first on food aid. Food aid—sending grain—is the last desperate resort when all else has failed. That's the pure charity, which is no way out of poverty.

Africa's situation right now is that their grain production per hectare is about one-third of the yield it should be and could be. The reason is that there is no fertilizer input, there is almost no water management, and therefore the improved seed is also too expensive. So you have an agronomic disaster.

Sending food aid is like charity: it keeps people alive, but it solves nothing. You do it when you have a famine and people are otherwise going to starve. Instead of that, what we ought to be doing is helping the farmers to actually farm, so they can feed themselves. This is how Asia got out of its poverty trap 40 years ago: they had a green revolution.

Africa needs a green revolution today. The world's leading agronomists have been looking at this in recent years, both an InterAcademy Panel on International Issues, so-called, which is the national science academies of the world, which did a report last year, and our project led by two of the world's agronomists, M.S. Swaminathan and Pedro Sanchez, which also issued a report. They both concluded that Africa could triple its grain output with proper scientific inputs. That's what some of the financing would go for, and that's what's vital.

Right now we send the African farmers out to soils that are dead and cannot produce enough food to keep them alive biophysically, and they're condemned. They toil endlessly and backbreakingly in the fields and then get a crop of one tonne per hectare, which is a third of what they ought to be getting under those conditions. Then we send emergency food aid; instead, we should be helping them grow more food.

As for debt cancellation and credit ratings, they're absolutely right for Brazil, perhaps, but not right for Malawi. Malawi has no credit rating; it has no prospect of a credit rating; it shouldn't dream of a credit rating. It will some day have a credit rating if all its debts are cancelled, if the millennium development goals are met, and if it starts commercial economic activity.

So it's absolutely thinking in the wrong way. We're talking about the poorest places in the world. If they have a credit rating, I don't know how many E's are part of it, but it's not something they ought to be thinking about or worrying about. They're drowning, and their children are dying, and they need the debts cancelled. Those are the places I'm talking about right now. I think that's an important distinction.

As to how to actually deliver, if you asked Ethiopia what their needs are for bed nets, they would come up with a number. With 70 million people, they'd come up with about 20 million nets in that case, and they need 20 million long-lasting bed nets.

I've worked with the minister of state for health. This man doesn't want your money; this man wants your bed nets. This man could make a list of what you need in the clinics and what you need for basic health care that is absolutely epidemiologically rigorous and sound. And he's not out to steal anything; he needs to provision the health posts.

He's actually asked for a five-year program to build health posts that don't exist right now. It's very practical. There is nothing special about it. For every 5,000 people there needs to be a little box structure where the dispensary is, where a microscope is, where emergency malaria treatment can be done, and so forth.

This is all costed; it can be identified; it can be shown district by district where this needs to be. Then I beg the donors' help, and they say, "Hmm. Well, we'll study the problem", and then they whisper to me, "We have no money".

So the answer is yes, and if the governments are empowered, they will do this. Then what we should say to them is, we're going to give you a bit of money—because some of it should be purchased, for salary support and so forth—and we're going to give you a lot of supplies at a national scale, because there should be centralized procurement for some of this stuff. We're going to audit you too. We're going to send in PwC or someone else and we're going to do a serious audit in six months, in a year, in two years. And you know what the government would say? "Wonderful, wonderful, we would be so grateful for you to help us get out of this trap". So it's exactly what you're saying.

● (1710)

In terms of what to do about the other countries, what we're really saying is the following. We're saying that there are some places that are so ready to go, except that they're impoverished. We have to start helping them as soon as possible and at a different scale. We're saying, don't let the worse cases hold back the cases that are ready.

We said at least a dozen. We didn't say a dozen. We said at least a dozen, because we don't trust the donors. So it wasn't to say make it 12; it was to say make it at least 12, because we don't trust you. Because if we had just written, choose fast-track countries, you would have chosen one or two maybe, and we know there are many more than that. So that was a measure of our distrust, which is very high, because we don't trust the money or the resources actually being there.

We want to see real commitments and real results. What I've said to the government today is that Canada itself could say, look, yes, we'll contribute, but we'll take the lead on organizing that in a few places, because the UN can't organize that. It has to be one of the countries that are serious about this, to talk to the other donors and say, "Let's get real. Professor Sachs is right. You know it, we know it, so let's get real". I've asked Canada to take that on in a few cases as the leader, not just as a participant in it.

The Chair: Merci beaucoup.

Thank you very much, Professor Sachs. I think it is fantastic to have you here this afternoon. We usually work in our committee on a consensus. The consensus of all of us is that your presentation was fabulous. We are hopeful that you have success with our ministers also, but we're going to push our minister, you can be assured of that.

Thank you.

Mr. Jeffrey D. Sachs: Great. Thank you very much.

Mr. John W. McArthur (Manager, Millennium Project, United Nations): Mr. Chair, I understand that for those who would like to continue the conversation it will be downstairs in Room 160.

The Chair: Thank you.

This meeting is adjourned.

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