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Mr. Navdeep Bains

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• (1535)

[English]

The Chair (Mr. Navdeep Bains (Mississauga—Brampton South, Lib.)): Good afternoon.

We're still waiting for a few people to arrive, but I believe that in terms of respecting time we should start for today. We're expecting another witness, but I believe she's probably going through security.

Nevertheless, I'd like first to welcome the three witnesses and thank them for coming here today to discuss and review Canada's international policy statement. First of all, I'd like to welcome Mr. Roy Culpeper from the North-South Institute; and Gerry Barr from the Canadian Council for International Cooperation.

If you don't mind, whoever would like to start off, you have roughly ten minutes for opening remarks.

But before that, on a personal note, I would like to take this opportunity to acknowledge a very significant announcement that was made today. An individual whom I have a great deal of respect for, and I know many in this room do as well, Mr. Broadbent, announced today that he is planning to resign after this Parliament dissolves, whenever that may be. If he doesn't mind, I would like him to say a few words, if that's okay with everyone.

Hon. Ed Broadbent (Ottawa Centre, NDP): You want me to say a few words?

The Chair: Yes, absolutely. I mean at least in terms of human rights and all your hard work. I think it would be greatly appreciated.

Hon. Ed Broadbent: Mr. Chairman, I really do appreciate your generosity in offering that, but I did speak at the press conference today to explain what lay behind my decision, and I just don't want to use up the committee's time with a personal matter. But I repeat, I appreciate your thoughtfulness in offering it.

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

I guess the floor is open to the witnesses. We have a sequence of order. Gerry is first, but if Mr. Culpeper would like to start, I'm indifferent. You have ten minutes for opening remarks and then we're going to go to questions.

Mr. Gerry Barr (President and Chief Executive Officer, Canadian Council for International Cooperation): Mr. Chair, thank you very much.

I have a few minutes here, and one always tries to choose carefully because one comes to the committee knowing that time is

at a premium. I'm going to identify only a couple of issues, but there are many, of course, about which we could speak. I want to say that I'd be happy to address a much wider-ranging issue area than those I'll speak directly to.

But I will say that the council welcomes very much this initial opportunity to engage with the subcommittee on a number of the development components of the international policy statement, and I hope as events and the consultative process unfolds there will be further opportunities to speak both to aid and to other questions related to trade, security, international financial architecture, and all those other issues to which the international policy statement speaks.

I should also say that many members of our council have followed the international policy statement with enormous interest, and they hope and expect to have the opportunity to engage with the parliamentary committees that are charged with canvassing public and expert views.

Not long ago the three opposition leaders in the House wrote to Mr. Martin with a positive proposal promoting the idea of a legislative framework for aid spending that would fix the purpose of aid to poverty eradication, with aid delivered in a manner consistent with Canada's human rights obligations and respectful as well of the perspectives of those living in poverty.

The point underscored by the leaders was that clarity of purpose in aid spending was an important and indeed a first condition of greater accountability and effectiveness in aid spending, which in turn would underpin and strengthen Canadian support for the file. We agree.

CIDA has reflected a key commitment in poverty reduction in its aid approaches in recent years—for example, the social priorities for development set by Minister Minna in 2000 on basic education, health, HIV/AIDS, and the protection of children, and Canada's recent initiatives to double CIDA spending in basic education, new spending on HIV/AIDS and health. The choices set out in the development paper of the international policy statement, basic education, primary health, the private sector, governance, and the environment all track, certainly could track, towards this objective.

What is worrying is that there is no actual statement of purpose for aid in this paper. The objectives that are set out in the introduction to the development paper put Canadian values and interests ahead of effective and focused approaches to reducing poverty. Although they are certainly legitimate values and interests, and are worth stating, it is important that when it comes to aid they are stated in the context of an overarching purpose, which is unequivocally poverty reduction, and that's what's missing.

It's more than a quibble; it's a key feature of effective aid spending, and we hope parliamentarians will act to correct the omission by encouraging the government to bring legislation to the House that will ensure greater clarity of purpose and better parliamentary accountability for aid spending. Better aid is very important, but more aid is also needed.

● (1540)

Here Canada is displaying an odd reluctance to commit to the internationally accepted donor target of 0.7% of gross national income. The commitment to achieving the 0.7% target by 2015 is a marked omission in the international policy statement, the more puzzling for the fact that Mr. Goodale, in his capacity as a member of the Blair Commission for Africa, has co-authored an earnest plea to donor states to set time-limited plans for achieving the 0.7% target. Can we credibly press other states to achieve this target if we are unwilling ourselves to embrace it? Clearly not.

Mr. Martin says he very much supports the Pearson target but is unwilling to pledge achieving it without being dead sure of his fiscal ability to do so. Look, with respect, that plainly makes no sense. Canada has committed to other long-term goals, many of them—deficit reduction, defence spending, Kyoto—on the basis of reasonable prospects, and we can do so here. Out of 22 donor states around the world, 11 have committed to sustain their performance to the 0.7% goal or to achieve it by 2015, and none of them—none—have economic circumstances as robust as those of Canada.

We have strong growth and surpluses as far as the eye can see. There is both political and public support at every point of the compass, yet the government position on this is, at best, a maybe. We hope parliamentarians will propose that Canada act to set a time-limited plan to achieve the 0.7% target by 2015. If we wish to have a role of pride and influence in the world, as we ought to do, we really do need to carry our share of the burden when it comes to helping the poor economies of the world.

There are many things about the international policy statement that are commendable. The idea of country and sector focus for Canadian bilateral aid to about 25 countries is plausible and welcome. The commitment to a continued systematic integration of gender equality targets across all program areas is, of course, good. Sections that underscore the importance of the role of civil society organizations, north and south, in development and the commitment of the agency to promote and support global citizenship in Canada are encouraging, as is the idea of a special experts advisory group for the CIDA minister, but it's very important that members of Parliament take on the missing gaps in the policy paper. They are gaps that, if left unattended, will trip up our progress towards the role that Canada properly wants to play.

Thank you very much.

The Chair: Thank you.

Mr. Culpeper.

Mr. Roy Culpeper (President, North-South Institute): Thank you, Mr. Chairman.

Like Gerry Barr, I'd like to thank you and the committee for this opportunity to comment on the international policy statement.

The institute has actually published its thinking on how Canada's international policy should be redesigned and reoriented, in the brief we submitted to the committee, entitled "Human Security, Sustainable and Equitable Development: Foundations for Canada's International Policy".

[*Translation*]

I will begin by summarizing key points in our brief before commenting on the International Policy Statement.

The Prime Minister launched a review of Canada's international policy in December 2003. Given the profound changes that have overtaken our world, he was seeking a coherent, integrated policy framework for diplomacy, defence, development and trade to deal with the global realities of today and the complex challenges of the future. The Prime Minister also wanted to recapture Canadians' international sense of purpose.

● (1545)

[*English*]

The institute's brief rises to this challenge. We begin with a vision of the world Canadians want for themselves and their grandchildren, a world in which poverty is eradicated, conflict rare, and the HIV/AIDS and other health pandemics receding; a world in which human beings all around the globe enjoy basic rights and freedoms; a world in which the needs of the present generation are met without compromising the needs of future generations.

Most Canadians, Mr. Chairman, we believe, would find such a vision compelling. Moreover, in this vision, sustainable and equitable development is the connecting tissue between poverty eradication, conflict prevention, and human security. If development fails, very often human security is weakened, states are more fragile, rights and freedoms are undermined, and violent conflict is likely to deepen or spread. Accordingly, we recommend in our brief that all international policies in defence, diplomacy, commerce, finance, and all other areas should be coherent around a policy framework of sustainable and equitable development.

Moreover, we don't have to invent such a framework; it already exists. Five years ago the international community endorsed the UN millennium declaration embodying the millennium development goals. Prime Minister Chrétien signed the declaration on behalf of Canada. Now, to operationalize such a framework and ensure Canada achieves policy coherence in practice, we recommend in our brief that the declaration and the MDGs, the millennium development goals, should be embodied in the strategic priorities and plans of all departments and agencies of government, not just CIDA. Moreover, the policy framework should also be enshrined in legislation and there should be monitoring and regular reporting to the Canadian Parliament on achievements in the developing world and Canada's contributions towards them.

Sweden adopted such legislation two years ago, and we urge Canada to follow its example. We could also learn from the practice in the U.K., where the department of the treasury evaluates the performance of all other departments annually, including—and this is interesting—how they are living up to the MDGs. This is the treasury department in the U.K.

[Translation]

Let me turn now to the International Policy Statement released last month. I am going to speak to the document as a whole. The Overview regrettably falls short of providing either anything like a vision of a better world or a coherent and integrated policy framework. Symptomatic of this lack of coherence, the substantive content of the Statement lies in the four departmental chapters (commerce, diplomacy, defence and development) rather than the Overview. Furthermore, much of what is "new" had already been released in the February Budget.

[English]

I would point out, like Gerry, that the statement does contain much that is positive, including some of the institute's principal recommendations. In particular, the development chapter, which actually puts forward a vision of an equitable and sustainable world, makes a strong case about the links between human security, equity, and peace. It embraces the agenda of the millennium development goals and commits to measuring Canada's contribution towards them. The chapter also calls for a whole-of-government approach to development, covering both aid and non-aid channels such as trade, investment, and debt relief. Moreover, the chapter recommends concentrating the bilateral aid program on 25 aid recipients. We recommended 20.

As my colleague Gerry has said, there are a number of other commendable facets of the development chapter, including its commitment to gender equality across all of Canada's development cooperation programming. However, the strengths of the development chapter would be far more convincing if they were reflected in the other departmental chapters and the overview. As a result, one has to say about the statement that the whole is considerably less than the sum of its parts. For example, in the commerce chapter, there is a one-paragraph afterthought on development at the end.

Greater international trade, investment, and market access often do not benefit the poorest countries or the poorest people. The spaghetti-like tangle of bilateral trade and investment treaties compromises the multilateral framework of the WTO and constrains

the policy choices of developing countries. None of this is recognized in the commerce chapter.

• (1550)

[Translation]

In the defence chapter, there is emphasis on military intervention, on combat, stabilization and reconstruction, rather than how these contribute to sustainable peace and long-term development in fragile states. The Overview is far too preoccupied with international security and national interests.

[English]

The defence chapter, nonetheless, does not appear to acknowledge certain realities of the world since 9/11, particularly the unilateral tendencies of the United States and the watershed of the Iraq war. The government's laudable decision not to join the U.S. ballistic missile defence initiative seems oddly extraneous rather than integral to the statement's conceptual framework, almost as if it would prefer not to have mentioned it at all.

Finally, as many critics have pointed out, the development chapter also fails to commit, as Gerry has said, Canada to a date on or before 2015 by which our aid program will reach 0.7% of GNI, although it does indicate the aid program will continue to grow over the next decade. Just to add to what Gerry said, I can say our estimation is that reaching 0.7% by 2015 will now require an additional \$20 billion to \$25 billion in aid spending over the next decade. In our view and in the view of other experts on Canada's fiscal situation, this is eminently achievable over the next decade without incurring fiscal deficits.

Mr. Chairman, I have a number of other detailed points in which the IPS is relatively silent, including the role of research organizations like NSI in the evolution of international policy and the place of agriculture in our new development policy, but I'll leave them for the discussion period.

Thank you.

The Chair: Thank you very much.

I'd like to welcome Madam Monreal. Perhaps you can share your remarks with us.

[Translation]

Ms. Maria-Luisa Monreal (Director General, Association québécoise des organismes de coopération internationale): Thank you, Mr. Chairman.

Ladies and gentlemen, this government has recently released the new international policy orientations that it proposes to follow over the next few years. It remains to be seen whether it will have the opportunity to put this document into practice.

The government made a long-term commitment to providing assistance to developing countries and will reiterate the significance and the pursuit of the Millennium Development Goals, which were established in 2000 by all heads of states within the United Nations. However, several elements in this policy statement indicate to us that the goals of eliminating poverty and inequalities in the world, key elements of a sustainable development, are being put aside in favour of the fight against terrorism and the securement of markets.

We would like to share with you some of our concerns about the trends in this new policy.

The first point is that this government, judging that the terrorist threat is pervasive in Canada, has decided to focus on Canadians' concerns in the area of security as the very first priority in its new international policy. Indeed, the new policy is articulated around an integrated framework encompassing diplomacy, defence and development. Thus, the minister responsible for CIDA states in the policy's introduction that poverty "poses a direct risk to Canada and our allies".

In our view, this priority in the area of security is questionable. We are convinced that real security will come first and foremost from a profound solidarity of peoples in their continuing efforts toward a sustainable and durable development, progressive implementation of a just peace, full compliance with human rights and a generous openness toward immigrants and refugees.

Since 2001, terrorism has been on the international agenda. We must recognize that ever since the United States launched the war against terrorism, the world has been less secure. One only has to look at the latest events in Iraq and the evolution of the situation in the Middle-East. We must admit that these countries and indeed these regions are in crisis.

However, Africa, by far the poorest continent on this planet, is facing serious structural under-development problems. It can hardly be said that poverty in Africa poses a direct threat to the security of Canadians. Of course, the global spread of AIDS can be threatening, but such curses require responses in terms of human security policies, and not policies designed to fight terrorism.

In Latin America, countries such as Ecuador and Bolivia have alarming poverty rates and their citizens are mobilizing to have their rights recognized and sometimes succeed in changing the government. Can it be said that these two countries are becoming focal points for terrorism? Thank to the wisdom of political and social actors in these two countries, some democratic alternatives have been identified.

Are these populations threatening us? They are asking for assistance to build just, democratic and prosperous societies, and not some assistance to make their country more secure for them and for Canada. Should we consider them as threats?

The fight against poverty must take place within a human security perspective, a fundamental rights issue for any human being. By making a link between poverty and terrorism, the risk is that we might end up fighting against poor people and not against poverty and its structural causes.

The international policy approach represents an alignment of the Canadian policy on that of the United States. What must be avoided is that the rapprochement with the United States—which is one of the great goals of the new foreign policy—be done at the expense of expectations and aspirations of large segments of the Canadian society who believe that, on the international scene, their country must remain the champion of human rights and social justice, the promoter of a rule-based global world and the most fervent advocate of conflict resolution through negotiations.

On the second point, all analysis of Canada's International Policy Statement clearly show the strategic shift made by the government. Priority is given mainly to defence and to increasing the military budget to \$15 billion within five years. One must recall that in Canada, just as in the United States, militarization is increasing. Canada today ranks sixth among NATO countries for its military budget. This increase in the budget allocated to defence was done at the expense of official development assistance.

So there are many indications that this quest for coherence between diplomacy, defence and development was made on the back of ODA. In other words, the fight against terrorism and prevention of terrorism aimed at preventing poor countries from becoming centres of instability will become priority objectives in terms of Canada's official development assistance. ODA being subjected in this way to political purposes brings us right back to the integration of development assistance into the war efforts. These efforts, seen in the light of development strategies since 2001, may never allow us to answer the cries for stability, peace and respect for fundamental rights throughout the world.

• (1600)

The Chair: Thank you very much.

I'd like now to request that Mr. Goldring start off with the questions to the witnesses.

Mr. Peter Goldring (Edmonton East, CPC): Thank you, Mr. Chairman, and thank you very much for your presentations.

Mr. Barr, in your opening comments, you stated that there were details lacking in this report. When I read through the report, I do see quite a few details on many other plans of action—governance, health, basic education—but when you start talking about development, the only thing I really see in here under private sector development is increasing control by women over productive assets. In other words, it seems to be very much gender-based and not very broad-based at all.

Perhaps you could explain what you mean by development. Do you mean such things as infrastructure, industry, and transportation, or do you mean private industry? Obviously all of these would be prime components that would be worthwhile in an emerging society, each and every one of them, from pride in having a business, to pride in having a job, to having infrastructure and of course having proper transportation, and many other things.

So maybe you could help us by suggesting some examples of what you might mean by this and perhaps what should be in this report.

Mr. Gerry Barr: Thank you for the question.

With respect to private sector development itself, CIDA actually did do some pretty interesting work on its own approaches to private sector development. Then of course there's the report published by the Zedillo-Martin group, in the context of the United Nations, which carried forward some of those ideas. Development organizations looking at private sector development focus particularly on approaches to private sector development that get to the engines of poverty. Where are those who are poor able to engage in the market in an effective way to move forward?

There is always the worry that approaches will be taken to private sector development that will involve foreign direct investment as a key driver of development, which is unlikely, though important, for the economic development of countries in the right circumstances. It's unlikely to get to those who are poor in an effective way. What we're thinking about as market mechanisms for those who are most poor are the informal sector and access to marketing opportunities for agricultural products.

My colleague has spoken about the relative absence of agriculture in the report. If you think about the private sector in Africa, 60% of it is based on agricultural production, small agricultural producers. So if you want to get at poverty reduction and eradication, and this is aid, of course, we're speaking about, you just have to make a place for small agricultural producers and bear in mind how they will market their products and how they will work both locally and regionally.

Service cooperatives are important market actors. Small credit union organizations are important mechanisms in the context of the market for generating opportunity and generating economic viability for those who are most poor. Access to opportunities for those in the grey market without necessarily rolling grey market things into a formal market context needs to be considered.

But the most important thing is the purpose of private sector development in the context of developments, cooperation, and aid. The purpose of private sector development really needs to be judged against the impact on those who are currently living in poverty and who will benefit. It needs to be judged against whether or not those who are living in poverty do benefit as a result of investment. This is one of the worries, of course, that we have about the Africa Fund, which sets up an investment structure but has paid relatively little attention, we think, to assessing after the fact the consequences in developmental terms.

So it's an important area. I don't mean for a second to dismiss it. It is terribly important, but it needs to be approached with a very rigorous set of development spectacles on.

• (1605)

Mr. Peter Goldring: I could certainly see the importance of carefully proceeding with that, because you might be infringing, basically, on private enterprise in some areas too. But would this include things like land reform for countries that don't have their farmland distributed, and perhaps some of the most basic, incipient types of marketing beginnings to develop the population from absolute poverty to being involved in agrarian efforts, maybe in some small business efforts—not just on a non-profit basis, but for them to join the for-profit sector in very modest ways?

Mr. Gerry Barr: Absolutely. It could very well, and should do, yes.

Mr. Peter Goldring: I'm wondering then, from your opinion on this report, why you think these types of actions are absent from this report. I tend to agree. It would be a very important link to moving abject poverty along the road to self-sufficiency.

Why would that be missing from these reports?

Mr. Gerry Barr: It's hard to say why. Maybe some of my colleagues would risk an explanation.

The report is very wide ranging. It slips sideways in many respects. There are a lot of gaps. Many of the things that are said in the report are useful and welcome and progressive, but it is not tightly developed and there are major gaps. I characterized one of them in terms of the private sector. It is just plainly impossible to get at the private sector in a useful way in Africa if you don't take account of the agricultural sector.

• (1610)

Mr. Peter Goldring: Is there an overriding fear or hesitancy to link aid to some form of advance economically in the country, or is there any fear or suggestion of that? I'm having difficulty understanding why this wouldn't be part of the overall blueprint or the plan coming forward.

Mr. Gerry Barr: I honestly don't think so. I don't think that is it. Perhaps others would....

I certainly don't think there is that fear. I think the government aims to embrace the idea that economic growth is an engine of development. In fact, the government may embrace it more than I do, because our worry is always that economic growth without distribution mechanisms and without a framework that ensures the distribution of the benefits of development to those who are poor may happen, as it has in Latin America over many years, in the context of an increasing gap between rich and poor.

When we come at development issues, it's really key to come at them from the perspective of those who are living in poverty, what impact the initiatives are having on those who are living in poverty and on the equitable distribution of the benefits of development. That is often forgotten.

But I do think the government certainly is keen on economic growth and on promoting it. They're keen on promoting private sector development, and ought to be, but it ought to be done in the right way.

In fact, to add even more mystery to your question, CIDA has already built up a pretty competent and important policy on private sector development, already in the can, as it were, and it may not have made it to the IPS as it should have done.

The Chair: Thank you very much.

Diane Bourgeois.

[*Translation*]

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Madam, gentlemen, good afternoon. I thank you for being here to help us shed some light on this development assistance policy.

My first question deals with consultation. We have been hearing about this new international policy since 2003. Bill Graham, who was Minister of Foreign Affairs at the time, said that he would hold an in-line consultation throughout the country to know the views of both the NGOs and parliamentarians on this policy. The present prime minister, in the Throne speeches of February 2004 and October 2004, promised to seek comments from parliamentarians, the population at large and the NGOs. I want to know, Madam and gentlemen, whether your organizations have been consulted on this international policy. That is my first question.

Ms. Maria-Luisa Monreal: We have not been consulted. We have been able to take part in this review process through a brief that we have tabled, but there was no debate or exchange of views. We are waiting for such a process, we are hoping that it will take place. I believe that it would be good for parliamentarians to be able to listen to and to share the experience and the vision of organizations that are working in the field and who know first hand the realities of the Southern countries.

Mr. Gerry Barr: I would like to add a comment. Together with the other organizations, we have signed a letter that was sent to the prime minister to argue in favour of a broadly based consultation process on the foreign affairs policy and the government's vision. Until now, this process has been of an administrative nature and internally based, but we do hope that the government will be open to the idea of a consultation process and that members of Parliament will hold such consultations with the citizens of this country.

• (1615)

Mr. Roy Culpeper: I agree with my colleagues. There should have been consultations. In my view, it is one of the flaws of this statement. If there had been consultations, the statement would probably have been better.

Ms. Diane Bourgeois: All three of you agree that there is no way to reach the goals that have been set by the Canadian government and the millennium development goals, including the well known 0.7 per cent level. My question may come a bit late. Do you have any suggestion that would make it possible to finally reach this 0.7 per cent level by 2010? Could you send them to us in writing? We could then study them and help you in this regard.

Ms. Maria-Luisa Monreal: Yes.

Ms. Diane Bourgeois: All three of you have ideas. Could you send these documents to the clerk so that we can discuss them later on?

Ms. Maria-Luisa Monreal: Absolutely.

Ms. Diane Bourgeois: I would like all three of you to do this.

My next question is the following. You referred to the 25 countries that are partners and you seem to say that it was incomprehensible that some countries, such as Burundi and Haiti, are not among the countries that benefit from this international policy. I deplore this just as much as you do. I believe that we will have something for Haiti in the near future.

What about the fact that Canada is providing some assistance to China, for example? It is not included in international assistance, but there is some assistance provided. And to think that there is not necessarily any legitimate governance! Could I have your views on this?

Ms. Maria-Luisa Monreal: As I said earlier, it must have been rather difficult to choose these countries. We are not against the fact that there is some targeting and a limited number of countries. In our view, 25 countries, it is not that much for Canada.

With regard to China, one can indeed wonder about this, especially when we know that this country has good economic growth. We are favouring a country that has an enormous rate of growth at the expense of some countries that have no growth at all, including Burundi, Rwanda, etc. In my view, such a choice is questionable because the population in other countries are destitute, have nothing to eat and are dying of hunger, while we are helping a country that is economically vibrant. That's the first thing.

As I said at the beginning, I also believe that this policy has been defined mostly by focussing on issues linked to defence and to securing some markets. It is important to secure markets. China is developing too rapidly for Western countries.

Mr. Gerry Barr: Perhaps it should be clarified that China is not included in the list of 25 countries.

• (1620)

Ms. Diane Bourgeois: It is not included.

Mr. Gerry Barr: On the other hand, CIDA's policy is to commit two-thirds of bilateral aid to the 25 selected countries. The other third can be utilized, for example, as a potential resource to help Haiti and other countries that are not part of these 25 countries. I believe that this is what CIDA has in mind. The idea of focussing on 25 countries is not a bad idea as such. In our view, in the CCIC, if we want to focus on a certain number of countries, the number of 25 is not a bad choice.

Ms. Diane Bourgeois: In fact, our assistance is less scattered.

Mr. Gerry Barr: Generally speaking, it is acceptable, but the choice of countries is important. For example, what about Ukraine?

[*English*]

It's not "ODA-able", first of all. It's a middle-income country. It's an important country. It's just a bit of a surprise to see it there.

[*Translation*]

Ms. Diane Bourgeois: It is a surprise.

[*English*]

The Chair: Sorry, we're out of time.

Mr. Khan, please.

Mr. Wajid Khan (Mississauga—Streetsville, Lib.): I'd also like to welcome you here. Thank you very much for the information we've received today.

I'm a little perplexed about something, and perhaps you can help me with it. There was a little bit of criticism there on defence spending. Somebody made a comment—it was one of you two—that international trade does not help the country where the international trade is carried out. It doesn't help poverty. Am I correct here?

I'm a little foggy on this. How do we balance our programs locally within Canada and abroad so that we can have a good balance? What areas are more important than others? Defence spending hasn't been done for many years. Again, if you build up defence, it also increases your prospects of bringing some peacekeeping troops. We talked about conflict resolution. Everything interconnects and overlaps, it seems.

I agree with you that we need to spend more on poverty alleviation, but is there any connection with international trade? Perhaps you could elaborate on that. If we do export our engineering and have local people working, and we create jobs, I think it would have some impact, as would educating people to become more self-sufficient in the future.

So my questions are on defence and international trade. Perhaps you would elaborate a little bit on the negative impact of defence spending vis-à-vis....

Mr. Gerry Barr: Mr. Khan, is your question to me? Maria-Luisa Monreal was the one who—

Mr. Wajid Khan: I asked two questions. Let's talk about defence spending first.

[Translation]

Ms. Maria-Luisa Monreal: We are not saying that it is bad to have an increase in the defence budget. However, we strongly deplore that it is increasing at the expense of international assistance. There is no reason for defence... In my view, this whole policy statement is characterized by an overwhelming concern for and indeed an exaggerated fear of terrorism. It is true that our security is not assured, but we should not push the panic button, because that's what it is, a sign of panic. What's most important is to eliminate poverty because it benefits the population as a whole. We are also in favour of peacekeeping and the resolution of conflicts.

[English]

Mr. Gerry Barr: I would like to say that I agree with your notion that there needs to be a balance. And in fact it is typically in those countries where you see the highest levels of social spending, most coherent social programming, where you also see the best performance on aid targets. These two things do go together and must go together. So I completely endorse your notion that it all has to be of a piece.

I think the problem now is that we are radically out of sync, that aid spending has fallen catastrophically. It fell catastrophically during the 1980s and has not yet recovered.

There's much to be said on the question of economic growth and trade and its impact on development. And indeed there can be a very positive and equally a very negative, badly done, effect on poverty

and those living in poverty. This is the man to tell you. He is literally a world expert on the question.

• (1625)

Mr. Roy Culpeper: To add to what my colleagues have said, I also agree that there is a very gross imbalance between world spending on defence and world spending on aid. The world spends almost \$1 trillion on defence every year compared to a paltry \$60 billion on aid. Nothing could put the picture more starkly.

I would go further to say that much of what is being spent on defence is actually making our world more insecure rather than more secure—quite the opposite of those who claim that we need more defence spending. And I think Madam Monreal was making points to that effect as well. My personal view is that the war in Iraq has made the world a more insecure place. Al-Qaeda has now got a presence in Iraq that it never used to have before. So the facts are fairly stark in that regard, quite apart from the imbalance.

On the issue of trade, it's absolutely true that some countries that open up to trade can suffer. And in fact I have a statement from the Department of Trade and Industry and the Department for International Development in the U.K., which they've just put out jointly. It's called "Economic Partnership Agreements: Making EPAs Deliver for Development". In it they say:

Developing countries can benefit from liberalisation in the long run, provided they have the economic capacity and infrastructure they need to trade competitively. However, without the capacity or the right conditions, trade liberalisation can be harmful.

I think that's really important to keep in mind. And our Canadian negotiators don't seem to be aware of this. For example, in the case of agricultural trade, we're not as guilty as the U.S. or the European Union or the Japanese in subsidizing our agricultural exports. So we can claim that we're on the good guys' side in that respect, but we also would like the developing countries to open up their markets to agricultural imports. This is where it becomes a lot more questionable because a lot of poor farmers in developing countries are facing their markets getting flooded with cheap imports from Europe, from North America, whether it's subsidized or not, and going out of business. And as all of us have said, agriculture is the sector in which most of the developing countries' poor live. So we're undermining the welfare and the futures of poor farmers.

The Chair: I'm sorry to interrupt you, Mr. Culpeper. I just want to bring to the attention of the witnesses and the members as well that the bell you are hearing reflects that in about a half an hour we are going to have a vote on a motion, a procedural motion, and therefore we're going to have to adjust the meeting. We do sincerely apologize.

There will be about 20 minutes left, and I'd like to allocate that accordingly to the remaining speakers. So if you don't mind, we will conclude the remarks from Mr. Khan and move on to Mr. Broadbent.

You have about five minutes, if that's okay with the members.

Thank you.

Hon. Ed Broadbent: Thank you, Mr. Chairman.

It's hard to know where to begin when one starts with agreeing with so much of what has been said. There is an interesting perhaps definitional issue, though, that I'd like to raise, and that is—I'll refer to you by your last names, Mr. Barr, Mr. Culpeper—Mr. Barr took the position that the legislative mandate for development should be poverty reduction. Mr. Culpeper argued for sustainable and equitable development.

I'm curious to hear from either of you—and this isn't a quibble on my point, I'm just trying to say it substantively—if you see a possible contradiction between the two at some point, if you really had in words one or the other.

I personally, for example, without thinking through it obviously at this point, could be attracted to either. Would you see them as synonymous, or would you see them as being different at some point? If we were going to choose one or the other, why?

•(1630)

Mr. Gerry Barr: Thank you.

I think they are certainly consistent with each other. I think, though, if you were to choose a driving purpose, the driving purpose ought to be poverty eradication, and consistent with that, you'll find yourself looking for sustainable development and equitable effects. I think poverty eradication needs to be the first purpose. I think so because it is awfully easy to get off track on this particular subject. There are a lot of trends and currents in the donor community. Sustainability is an important concept, although a much broader one. For my part, I'd strongly prefer it.

Mr. Roy Culpeper: Thank you.

I'd agree with what Gerry has said. I'd perhaps say that our conception is broader than CCIC's. I think CCIC is quite concerned about preserving the integrity of our development effort, and certainly we're in favour of that, but we would go further to say that there should be absolute consistency and coherence between what we do in development and what we do in trade, defence, foreign policy, and so forth.

Forgive me if I'm not getting this right, but I think the CCIC proposition on legislative mandate is really focused on the development effort and on aid spending, whereas what we're saying is much broader than that. We're saying that if we have a legislative mandate, it would not only give orders to CIDA, it would also give orders to Foreign Affairs, International Trade, EDC, Defence, and the rest of them, much as the Brits have tried to do in the U.K., to have an interdepartmental across-the-whole-of-government consistency.

There's no contradiction. I think the scope or maybe the ambitiousness of what we're proposing differs. This is easier to do, to have legislation just on development; it may be much more difficult to have whole-of-government coherence, but that's certainly what we're pitching for.

Hon. Ed Broadbent: Do either of you know about the general experience, say, of the usual good guys, the Scandinavians and the Dutch? Do they use either of these concepts? I think you mentioned Sweden, Mr. Culpeper, as one, but do most of the Scandinavian countries do that, or is it just Sweden?

Mr. Roy Culpeper: Sweden is certainly the front-runner. In fact, in our brief we cite the Swedish bill, Bill 2002/3:122. Sweden has annual reporting mechanisms and so forth, but it's a whole-of-government piece of legislation. We do see that as a model.

Hon. Ed Broadbent: You said Tony Blair's government is moving in this sort of direction as well.

Mr. Roy Culpeper: They're doing it in practice. I mentioned in my remarks that the department of the treasury has annual performance reviews of all departments, including how they're performing with respect to the millennium development goals. This is another way in which the U.K. tries to get policy coherence among its departments.

•(1635)

The Chair: Very quickly, Mr. Barr, and then I'll go on to the next member.

Mr. Gerry Barr: I think the distinction here is that Britain started with a relatively narrow legislative project of the sort we're proposing on aid spending itself, and there's tracking toward coherence. Sweden started with a very comprehensive whole-of-government approach to coherence. It was a formidable achievement for the Government of Sweden, but it would be terrifically difficult to put together, certainly in the current context.

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

Mr. Menzies.

Mr. Ted Menzies (Macleod, CPC): Thank you, Mr. Chair. I thought I wasn't going to get an opportunity to ask a question here.

Thank you for all three presentations. I appreciated them. There were a number of things, and I appreciated the fact that two of the speakers talked about agriculture. That's certainly a passion of mine, and I think there are opportunities there. We may differ a little bit on the values of trade liberalization. We'll discuss that some day over a beer.

On the NGO project facility cancellations, I still have some great concerns. I'm meeting with a constituent on Saturday about that. Nobody talked about that. Can you give us some comments? Have we failed in that?

Mr. Gerry Barr: Not yet.

Mr. Ted Menzies: Are we on the way to failure on that?

Mr. Gerry Barr: There is an evaluation process. The project facility—to help the others, and perhaps you know already—is a threshold mechanism for relatively small NGOs, but also for some larger ones that do not themselves have program relationships with CIDA, or more continuous relationships with the partnership branch of CIDA. It's undergoing a review now. The review is expected to be complete by the end of the month. Then, one assumes, a decision will be taken.

A number of organizations, the provincial councils, AQOCI included—AQOCI may have some observations on this—met with the minister not long ago and got from her a very welcome assurance that whatever the outcome of this particular mechanism, she was committed to an open door and a point of access for non-program-based NGOs. Its particulars are not yet in sight, but in principle that's a very welcome assurance. We will just see what the outcome of the evaluation is—the decisions taken on the basis of it. It will certainly affect very large numbers of groups organized by Canadians to do development work. It is a quite important point, though it's a relatively small amount of money.

Mr. Ted Menzies: I guess that's what concerns me. I see some wonderful work being done by NGOs, and I always think that NGOs are better at providing aid than government people. That's probably an opinion, and I've observed that in the field also.

[Translation]

Ms. Maria-Luisa Monreal: I would like to add a comment. I spoke only briefly about the project facility. I would like to provide you with the written text of my brief, because to save time, I did not read it in full and my presentation may have seen a bit disjointed. So I would like to forward it to you.

I agree with Gerry, but I do believe there must be a place for small and medium size NGOs. Large organizations should not be allowed to do it all, pushing aside the smaller ones. I believe that we must ensure some role for small and medium size NGOs. They do some outstanding development work and in supporting the efforts of the peoples from southern countries. They also raise the awareness and reinforce the engagement of Canadians.

[English]

Mr. Ted Menzies: I'll pass that on to my constituents. Thank you.

The Chair: Just in terms of timing, I do apologize...

Ms. Torsney.

Hon. Paddy Torsney (Burlington, Lib.): There are a couple of things you might want to check, Mr. Menzies. We had a panel on that issue and there were some outcomes from it, including that the NGOs be part of the consultation and evaluation that is taking place, and there were some special funds set up specifically to help them in the interim period.

I think we cleared up the issue of Haiti, that it is not one of the 25 development partners but part of the whole-of-government approach. In terms of the development side of the whole-of-government approach, there was an announcement today from the development minister on a number of initiatives focused on Haiti.

I also wanted to clear up—and I think Mr. Barr cleared this up too—that China is not one of the 25 development partners. We don't give aid to the Government of China, but we work with Canadian experts doing things specifically on governance and environment, two areas where most people, I would hope, want China to improve, because they have implications for everybody.

I think we've had an interesting discussion on mandating a whole-of-government approach and on different mechanisms for reporting, and whether or not a legislative mandate would help. I think Mr. Broadbent was interested in that issue too. Perhaps in September this committee can undertake to do that, because I think there would be great interest in seeing how we can do better; if that supports the work of the international policy statement and the work of the government, I think we should be looking at it and seeing if we can move forward.

Mr. Culpeper, I was looking through your background document and trying to figure out, but couldn't find, whether the 20 countries you referred to are in the 25, or whether there is overlap between them. Did you outline exactly who the 20 were?

• (1640)

Mr. Roy Culpeper: No, we didn't actually, but we did suggest that Haiti and Afghanistan should be among them, because we felt those were both countries that deserved a lot of attention over the long haul.

Hon. Paddy Torsney: But again, the 25 development partners don't include Afghanistan, Iraq, Sudan, or Haiti, because they're in a different envelope.

Mr. Roy Culpeper: Yes, I understand that.

Hon. Paddy Torsney: Okay. But I think this debate about the 25 has really distracted people, and if Mr. Day were here, he'd continue to repeat that we're ignoring Sudan and we're ignoring Haiti, and what have you, when in fact they are in a whole different envelope and with a whole lot of work being done there with another set of dollars. So the development partners are people we are working with who are poor and who are able to accept our aid. It's another program, with a better relationship than we currently have.

It was interesting that you talked a lot about security and about different approaches. I've noticed in the conversations I've had with some of the development partners lately, or people in the developing world, that there seems to be some coded language around security. It's my impression that they always want to assure us, and I think it's really to assure the Americans, that it's about security and that they're taking care of the security issues.

I wonder if any of you can comment on what I'm picking up. I don't know if you're picking it up as well, and it's not a departmental position, but I'm hearing from lots of the people in the developing world that they're trying to reassure us that they're dealing with the security issues, which makes me concerned that the American approach to development is all about security and not about the development needs of the countries. Is that something you're observing as well, and is there some way Canada can help in its support for changing multilateral organizations? Of course, we have to deal with the security issues, but even more, we need to deal with the development issues that help fuel the insecurity in many of these places.

Mr. Roy Culpeper: I'll say a few words, and I'm sure my colleagues will have a lot to add.

There are a few political realities that operate when donor countries and developing countries get together. You talk about code. Developing countries get to know where the aid dollars are going to flow, and if a premium is given to aid that boosts security, then they'll start to dress up their approaches in the language of security. So there is that reality we have to be cognizant about.

Yes, I do worry about that, just as Madame Monreal talked about security trumping long-term development. In fact, it should be the other way around, that human security.... Whether it's personal security or security against violence, these things can actually be better contained and approached through human development, development that caters to human needs in both the medium and long term. So I agree with that concern.

• (1645)

The Chair: Thank you very much.

Diane Bourgeois.

[*Translation*]

Ms. Diane Bourgeois: I would like to add something about the problems the NGOs have been faced with recently. I have met with Minister Aileen Carroll. As a show of good faith and that I am not always negative, I want to say the minister recognized yesterday that she should have proceeded differently. In fact, I would say that she was a bit brutal in her approach and in the process because NGOs did not have enough advance notice. In order for members of Parliament and organizations to be properly advised, I have asked her to make up a list of the whereas clauses that presided over her reconsideration of the policy for support to NGOs, to tell us...

I was given the floor. You did not have an answer to your question?

Hon. Paddy Torsney: I thought you would only say a couple of words, but Mr. Barr was trying to answer my question. What happens now?

Ms. Diane Bourgeois: He gave me the floor.

[*English*]

Hon. Paddy Torsney: I'm just trying to figure out where we're headed here.

The Chair: My sincere apologies.

Hon. Paddy Torsney: Sorry, Diane.

[*Translation*]

Ms. Diane Bourgeois: I wanted to be positive and indicate, Paddy, that I am not always negative and that I asked the minister...

Hon. Paddy Torsney: No, that's fine. I only wanted to know what was going on.

Ms. Diane Bourgeois: I wanted to say that I asked what considerations were taken into account in deciding to reduce the amount of support or putting it on the ice. I also asked her to explain this to us so that we can put questions to her about this. She was very open to this suggestion and I wanted to underline this to reassure our organizations.

I am sorry.

Hon. Paddy Torsney: It's okay.

[*English*]

The Chair: I apologize. Unfortunately, we're all being rushed to go to the House to vote. Nevertheless, I would like to thank the witnesses, all of you, for taking your time to come out and give your input into the international policy statement.

Members, we'll defer committee business till the next meeting, unless you want to talk about it now. I doubt that.

Thank you very much.

The meeting is adjourned.

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