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**Tuesday, June 21, 2005**

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**Chair**

**Mr. Bernard Patry**

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## Standing Committee on Foreign Affairs and International Trade

Tuesday, June 21, 2005

•(0910)

[English]

**The Chair (Mr. Bernard Patry (Pierrefonds—Dollard, Lib.)):**  
Good morning, everyone.

[Translation]

Good morning, everyone.

We'll begin meeting no. 51, which will concern the study of the International Policy Statement.

This morning, it is our pleasure to receive Ms. Aileen Carroll, Minister of International Cooperation, as well as

[English]

the Canadian International Development Agency we have Mr. Ric Cameron, senior vice-president, and Mr. Rahman, acting vice-president, policy branch.

[Translation]

I want to welcome all three of you. Madam Minister, I believe you wish to make some introductory remarks. The floor is yours.

**Hon. Aileen Carroll (Minister of International Cooperation):**  
Thank you. It's a pleasure to be here and to see faces I know so well once again.

[English]

Thank you for your invitation.

When I met with you in early May to discuss CIDA's main estimates, I also took the opportunity to highlight some of the key themes from the government's then recently launched international policy statement as they related to international development. You may remember it was the same day they elected the Pope. While it was good news that we elected a Pope, it didn't help our communications as well as we might have hoped. However, it is nice to have a second opportunity, so I would like to elaborate on the next steps that are involved for my department.

As mentioned, the international policy statement, together with Budget 2005, sets out firm directions and very ambitious targets for Canada's development cooperation program. It focuses our work on poverty reduction and the achievement of the millennium development goals, while at the same time committing the government to achieving a greater coherence among our aid and non-aid policies. That will ensure that our actions in areas other than development cooperation take the interests and needs of the developing countries into account. It identifies priority sectors and countries where we

know we have the expertise and experience to make a lasting difference.

[Translation]

We want to continue to strengthen the effectiveness of Canada's aid, which is why we are pursuing greater sectoral focus. Canadian assistance will target and concentrate programming in five sectors directly related to meeting the Millennium Development Goals, namely: promoting good governance, improving health outcomes (including HIV/AIDS), strengthening basic education, supporting private sector development, and advancing environmental sustainability. Ensuring gender equality will be systematically and explicitly integrated across all programming within each of the five sectors of focus.

Papers outlining strategic directions for each of these priorities are being developed and will be followed by action plans that will detail specific initiatives.

The IPS Development Policy also commits CIDA to achieve much greater focus in our geographic programs.

We are reorienting overall bilateral programming to enhance our partnerships with a core group of development partners.

Over time, and in consultation with our partners, there will be a shift in resources as some bilateral programs wind down and others are expanded. While Canada's relationship with each partner is unique, country programs will evolve into five different categories.

[English]

First, we have our 25 development partners, more than half of which are in sub-Saharan Africa. These countries have been selected from among the poorest in the world, irrespective of their size, where effective programming to address the MDGs is possible and where Canada can add real value. These are countries that can use aid effectively and prudently. This means that full-scale poverty reduction programs in these countries will receive at least two-thirds of bilateral resources by the year 2010.

Second, we will maintain other ongoing bilateral relationships that will be funded within the remaining one-third of our bilateral resources. A limited number of countries will be chosen, based on their continuing strategic importance to Canada or in their own region, or where we believe Canada can continue to make a difference based on strong people-to-people ties, especially with diaspora communities in Canada.

Third, we will not abandon failed and fragile states. To help states under stress from becoming failed states, Canada must consider how it can, in coordination with other donors, which is key, support countries where the need is great but the capacity to use aid effectively is weak. We will reserve a special type of bilateral programming for a manageable number of countries, in or emerging from crisis, that are of overriding strategic importance. Through a whole-of-government approach, we will provide humanitarian and reconstruction assistance to these states, as you will note we have done and are doing in such countries as Haiti, Afghanistan, and Iraq. This includes as well support for building lasting peace in Sudan.

Fourth, we currently have relationships with several middle-income countries that have less need for aid. This bilateral programming will wind down over a transitional period. We have already begun to transform our relationships with countries such as Thailand and Malaysia and the countries of central and eastern Europe that have now recently joined the European Union.

Finally, in a number of poor countries where there is now, prior to the international policy statement, only a very modest Canadian presence or a very limited capacity to use Canadian assistance effectively, Canada will, in effect, wind down bilateral assistance programs. These countries will continue to be eligible to receive humanitarian assistance and ongoing Canadian support through multilateral channels and through CIDA's voluntary and private sector programs.

● (0915)

[Translation]

The International Policy Statement also commits CIDA to review the comparative effectiveness of different multilateral and partnership channels, with a view to concentrate resources on those found to be most effective.

As outlined in the IPS Development Policy, CIDA will soon be launching its panel of voluntary and private sector leaders. These experts from Canada and developing countries will review our partnership programs so that they may further innovate and excel in our programming.

[English]

We recognize the outstanding contribution that Canadian NGOs and individuals make to international development and the important role that local and international civil society plays in the development process. To this end, the government has committed to mobilize Canadians in dialogue and participation to build our society's capacity to contribute effectively to global poverty reduction. We will be intensifying our efforts in public engagement and building on Canada's rich experience in civil society programming to ensure that our efforts are inclusive of those outside government in Canada and outside government in developing countries.

Work is also currently under way to assess the effectiveness of different channels of delivery. This will ensure that we establish the right balance between bilateral, multilateral, and partnerships to best advance our overall objectives.

With these actions, we are increasing both the quality and the quantity of our aid. If we are to strengthen aid effectiveness and

target our assistance to where it is needed most, we need to make tough choices.

This is an exciting time for international cooperation. The global community is coming together to give all the world's citizens the tools they need to build better lives for themselves, their families, and their communities. I am confident that the Canadian International Development Agency will continue, in collaboration with partners at home and abroad, to truly make a difference in the world.

Thank you.

[Translation]

Mr. Chairman, I'll be pleased to answer your questions.

**The Chair:** Thank you very much, Madam Minister.

● (0920)

[English]

I just want to point out to my colleagues that there will be 10 minutes of questions and answers.

We'll start with Ms. Guergis.

**Ms. Helena Guergis (Simcoe—Grey, CPC):** Good morning, Minister. Thank you for being here today. I'm sure we all appreciate having an opportunity to speak with the minister to raise our concerns.

My first concern of the day is with your government's move towards multilateral agreements to deliver aid to developing countries. According to your department's numbers for the 2005-06 year, over one-third of CIDA's aid is going to multilateral programs.

My question is, have you lost faith in Canada's NGOs? It appears as though you're cutting them out.

**Hon. Aileen Carroll:** Oh great, thank you. Usually I don't get the chance to reply.

**The Chair:** It's a very short question.

**Ms. Helena Guergis:** There's more.

**Hon. Aileen Carroll:** I'm just saying I appreciate you allowing me to reply.

**Ms. Helena Guergis:** Having worked as political staff, I recognize the importance of that.

**Hon. Aileen Carroll:** Okay, good.

First of all, no, we haven't. I think as you may have heard in my opening comments, what's important for us to do is to achieve the balance. With regard to the NGOs, I have the opportunity to return later in the week, but I can discuss that particular project at any time today if you wish.

Our relationship with them is one that I hugely value; it's one that my colleagues do, recognizing, as we do, that we do not have a monopoly on creativity at the agency, nor on experience, as much as I value both of those qualities in the agency.

Let me give you an example. Had we not had the kind of relationship with NGO partners of long standing when the tsunami hit, we would never have been on the ground moving as quickly, dispersing aid, getting out, quite frankly, ahead of most other donors. So it was the relationship we enjoyed with them—with CARE Canada.

That case is a good example too because the other one we were funding, which was moving quickly in northeast Sri Lanka, was UNICEF. So there's an example of a good balance between both an NGO partner and a multilateral partner.

So, no, we will not lose sight of that, but we will be having, as I made mention, a group of experts assisting us as we take a very serious look later this summer at what's working well with partnerships, what the best vehicles are, and what we need to make better.

**Ms. Helena Guergis:** Thank you.

I do get very concerned, though, when I see your government handing over what I would say is Canadian sovereignty to other multilateral organizations—like the UN, for instance. I believe that when you give Canadian taxpayers' dollars to another organization to spend, you do lose accountability.

Of course, when I ask you the question about giving money to China in the House, it's as though you absolve yourself of any responsibility when you say we don't give money directly to China. Of course, this must mean that you are giving money to China indirectly. So please tell the committee how you're accountable for the money that you give indirectly, let's say to China.

**Hon. Aileen Carroll:** How would you define “indirectly to China”, Ms. Guergis?

**Ms. Helena Guergis:** I'm asking you to define that for us here, because when I ask you in the House, you say you don't give it directly to China.

• (0925)

**Hon. Aileen Carroll:** Okay, then I, too, like you, am very grateful for the opportunity to have a quieter conversation than the thrust and parry of question period.

Let me back up. Bilateral is, as I think you noted, a contrast with multilateral. Bilateral is a relationship to a country, or in some cases directly to a government. Between Canada and that country, between Canada and that government, that's bilateral. Multilateral is when we deliver development assistance through multilateral organizations—I will comment on your question there too—such as the United Nations, the World Health Organization, international development banks. So there are two vehicles there.

I would like to come back to China. Not one dollar flows between CIDA and the government coffers of China. Not one. When you read in the statistical breakdown that you tabled in the House of Commons...\$34 million or \$38 million last year in the bilateral or country-to-country framework with China—that is the sum total of moneys that we expended in financing the programs the Canadian Bar Association is running in building legal aid clinics. These are moneys that we expend—and these are partners, to come back to your comment as well on partners—to Agriteam, out of Calgary, to Simon Fraser University, to a number of terribly effective NGOs that

are developing a capacity in China that all of us need to see developed, that is, a concept of a rules-based society, a greater understanding of human rights, and an ability to function in a manner that we're all hoping China will function, as this engine impacts hugely on the world.

I give the money to the Canadian Bar Association. I give the money to Agriteam. I give the money to Simon Fraser. They provide the expertise. They work with Chinese partners. And you would be stunned, I think, at the unique relationship that those NGOs have developed with their Chinese counterparts and with the Chinese government. The Supreme Court of Canada is working with the judicial component in China, and the willingness on the part of those Chinese partners to accept from Canada what quite frankly they will not accept in most situations from others is quite remarkable, and that's the kind of niche we're taking advantage of.

We can stand back and condemn the kinds of things we're reading about in the paper—and you and some of your colleagues in the House have made reference to Chinese activities—or we can try to work with them to make it better, and that's what our bilateral program is.

One last point. Do I sometimes give money directly to a country within the bilateral framework? Yes, I do. We do budgetary infusion with the Tanzanian government, for example—I can give you examples—and with the Ghanaians, but they're at a very different—

**Ms. Helena Guergis:** Well, the document I tabled in the House clearly said at the top of it “government to government”. Is that a misprint or something?

**Hon. Aileen Carroll:** No, it's not a misprint. It means bilateral. “Bilateral” means a relationship between two countries. It means that this country benefits from all of the programs I am running solely from Canadian sources to Chinese sources.

In other words, “bilateral” does not mean this: I'm frequently in Bolivia, say, working with the Dutch. The Dutch and CIDA are doing a number of programs with the Bolivian government. That would probably not be bilateral because we're now working with another donor.

**Ms. Helena Guergis:** How are you held accountable, though, for the taxpayers' dollars if you hand it over to someone else? What are the accountability measures?

**Hon. Aileen Carroll:** Because I work very closely with Simon Fraser University, the Canadian Bar Association, Agriteam—

**Ms. Helena Guergis:** Do we have a checks and balance process in place?

**Hon. Aileen Carroll:** Be very happy we do. We have auditing systems in place. We do evaluations. We have worked with them again and again, and we have determined an ability, an acceptance, and a trust level that is unique, because they have met the bar on all of those in the past.

**Ms. Helena Guergis:** Is this something you can provide to the committee in more detail?

**Hon. Aileen Carroll:** Sure, yes. That accountability is key. I have to exercise fiduciary duty in every sense.

**The Chair:** Mr. Cameron.

**Mr. Ric Cameron (Senior Vice-President, Canadian International Development Agency):** In all these, where we are working through an intermediary such as the Canadian Bar Association, depending on the nature of the arrangement, we either have a grant or a contribution agreement with them. The contribution agreement has quite detailed accountabilities. Reporting a grant is a bit different. There are fewer of those, but the grants as well are based on results to be delivered and are reported against those. So in all of these we have an understanding of what is to be accomplished and what the performance metrics are.

We'd be happy to come back and talk about—

**Ms. Helena Guergis:** I recognize that, but I don't want to waste all my time listening to this. It's probably a lot more detail than I'd be looking for. I just want a quick answer here.

**The Chair:** Last question.

**Ms. Helena Guergis:** In terms of the partners to whom CIDA gives money, your website lists Chinese ministries.

**Hon. Aileen Carroll:** Ms. Guergis, we will look at the website, but it is as I'm telling you. You can trust my word. There is no money changing hands between the Canadian International Development Agency and the Government of China, and the government would be made up of its ministries.

Working with them, working with the Supreme Court, we may be supplying some of the resource material through those respected NGOs, but that, again, is money I control or my NGO partners control, whereas, for instance, in an education initiative I do with DFID, my British counterpart, we work very carefully and closely, again being very accountable, with the Kenyan department on education initiatives, purchasing the school books. I had to work very quickly one night to get a submission in to Treasury Board; otherwise, there were literally going to be no books, no teaching materials, nothing for the whole semester that was beginning last month in Kenya. But I make sure of the procurement path.

I get on the phone with my British counterpart on this one, Hilary Benn, because I've been concerned about some of the things happening there, and I talk to him, have him walk me through that procurement—who's got our money, how are things being purchased, where are the books—all of it. I want to assure you that I could walk this committee through that procurement path.

But that is money, in that case, which is going through the channel of that government, and it's not happening in China.

• (0930)

**The Chair:** Thank you, Ms. Carroll.

Now we'll go to Monsieur Paquette, s'il vous plaît.

[Translation]

**Mr. Pierre Paquette (Joliette, BQ):** Thank you, Mr. Chairman.

Thank you for your presentation.

You mentioned at the outset that, as regards international cooperation, under the International Policy Statement, we were going to focus our efforts on poverty reduction and achieving the Millennium Development Goals. I must express our great disappointment at the fact that the statement makes no firm

commitment with a timetable for achieving 0.7% of GDP. We recently asked more questions in the House. Mr. Goodale told us at the time that this was a commitment, but that there was no timetable. Mr. Pettigrew told us the same thing. In my view, that position has no international credibility and could greatly undermine Canada's reputation.

Perhaps I'm getting ahead of myself, but I'm convinced the committee will recommend that the government have a clear timetable for achieving the 2015 objectives.

In your presentation — and that was also in the “International Development” component of the International Policy Statement — you named five sectors directly related to meeting the Millennium Development Goals: promoting good governance, improving health outcomes, strengthening basic education, supporting private sector development and advancing environmental sustainability.

We've noted on a number of occasions that there's no reference to agriculture. However, a good part of the economic development of developing countries is based on the elimination of hunger and the possibility of trade through agriculture. That struck us, and I'd like you to explain yourself on this point.

We also think the link between international cooperation and trade is missing in the International Policy Statement. In terms of international cooperation, our approach seems very generous. However, as regards our position on debt forgiveness, the openness of market to agricultural products from developing countries, protection for family agriculture — including our supply management — if our coordination isn't very rigorous, we could well advance contradictory positions, by being both very generous and highly inconsistent.

I'd like you to explain to me how you intend to resolve all these apparent contradictions.

**The Chair:** Madam Minister.

**Hon. Aileen Carroll:** Thank you.

You asked a few questions, and first I'm going to answer the one concerning point 7. It will be easier for me to answer in English because the question wasn't a simple one. It's not complex, but it isn't simple.

[English]

Certainly it is a major issue, and I recognize that. I assure you that I'm well aware that the committee has unanimously passed a motion calling on the government to choose a date. I was a little confused about the position of the Conservative Party. I thought the Conservative Party said they wanted to see the books before they committed to 0.7%. Am I now clear that since the committee member from the Conservative Party has signed on unanimously...? Then it is that. There is some confusion. Nevertheless, we know that the rest of you have passed that.

Certainly the Prime Minister and I are very cognizant of what the committee does—that's hugely important—and what you have said, and discussions are ensuing. There is a strong commitment by the Prime Minister. You've heard him say that we're going to get there. You've quoted the finance minister, but it's also the Prime Minister who said he is committed to getting to 0.7%, but equally, he is committed to maintaining the fiscal integrity he is renowned for. He will not commit to that 0.7% until he is convinced that we can get there.

• (0935)

[*Translation*]

**Mr. Pierre Paquette:** Madam Minister, I'll stop you there. First, Canada's financial situation — and we're repeatedly told this in the House — is highly enviable compared to those of the G7 countries. So I don't think that explanation is valid at all.

Over the past nine years, the federal government has accumulated so-called unexpected surpluses of more than \$60 billion. I don't think we can accept that argument. Countries like Germany and France, which are currently in a deficit position, have made this commitment. This seems more like an excuse than a valid reason.

**Hon. Aileen Carroll:** That's what he said; I'm only repeating what he told me.

**Mr. Pierre Paquette:** Ah, you're repeating what he said. All right. I had heard that, too.

**Hon. Aileen Carroll:** There's also the commitment that the European countries have made. However, as you know, most of the countries that made that commitment don't have surpluses, don't have a

[*English*]

fiscal situation where they are in surplus. I think three of the countries, as the Minister of Finance has mentioned, have publicly admitted that they could be in difficulty if they ran contrary to the regulation within the EU; they are not permitted to be in excess of a 3% deficit. They have committed to the 0.7%, or have been committed by being under the umbrella of the EU, but they are publicly saying they have concerns about that. If in attempting to get to 0.7% they go in excess of 3% in deficit, then they're in violation of their own constitutions. So those issues are in play.

The Prime Minister and the finance minister are very clear that they won't be put in that position. You know that we had an increase last year of 30%. While the commitment of the government is 8%, in effect last year it was 30%. To be very clear, 9% of that was for tsunami relief, so let's accept that it was a 21% increase.

So 8% is what we say we will do at a minimum. But there is clearly a commitment from all of us involved that we will do more when we can. That will see our aid budget doubled by 2010, even at the 8% level, and the comparison the finance minister draws is the percentage of increase being given to the foreign aid budget in Canada vis-à-vis the other budgets, such as health and equalization.

[*Translation*]

**Mr. Pierre Paquette:** We may not have enough time for the trade question.

**The Chair:** You still have three minutes.

**Hon. Aileen Carroll:** Would you like me to answer?

**Mr. Pierre Paquette:** As regards trade, how do you reconcile our positions and our trade policies with our international cooperation policies?

**Hon. Aileen Carroll:** Sorry. Trade?

**Mr. Pierre Paquette:** If we want to fight poverty, and that's the commitment you've made, there has to be economic development in the developing countries, more particularly in the African countries. That happens, to a large degree through agriculture. How is it that agriculture is not one of the sectors you've prioritized?

Second, how are you going to coordinate your positions with those of the Minister of International Trade so as to ensure that our international cooperation vision is consistent with our trade policies?

[*English*]

**Hon. Aileen Carroll:** I wasn't sure if you wanted me to answer your other question, so I will quickly do so.

When you asked me about agriculture not being one of the five sectors...I think you need to consider how agriculture is integral to, first of all, the focus on private sector development. We are making a priority of working within the rural dimension of African countries, helping them to build the kind of capacity they need to bring products to market. Many of the programs on PSD that I am signing off on are within that rural domain.

Secondly, in the health sector, I think it's important to understand that we are highlighting food security, as you'll see in the material from the IPS. It is not defining and extrapolating from the real world of five sectors because they are integrated in a very important manner.

I think too, under the environment section, where we're dealing with land degradation, this has a huge impact on assisting farmers. In fact, the degradation is having a negative impact, so we have put a considerable focus on that area.

I think that the combination of where we're going on health, the private sector, and the environment is major.

Please also remember that we are very involved through the World Food Programme, the Canadian Foodgrains Bank, and other multilateral initiatives on the agricultural side and within the regions. But is it a sector per se? No, it is a priority for us as we deal with the real world in those developing countries.

On trade—

• (0940)

[*Translation*]

**Mr. Pierre Paquette:** That should be mentioned.

**The Chair:** Mr. McTeague.

**Hon. Dan McTeague (Pickering—Scarborough East, Lib.):** You're welcome here. We're delighted to have you back. I know you said that you were at the same decision-making level as for the election of our Pope, but we're still arguing about that.

I'm going to share my time with Mr. MacAuley.

Madam Minister, my question is very simple. It concerns the way in which we target our international aid efforts in the world, particularly that coming from your department.

[*English*]

Could you elaborate for this committee on the criteria established for choosing the 25 countries you wish to partner with? How will this allow Canada to better target our aid more effectively, as it were?

**Hon. Aileen Carroll:** Thank you, Mr. McTeague.

I think one of our very first tasks was to undertake how to become more focused and coherent within CIDA—before or at the same time as we're trying to get more focused and coherent with International Trade and Foreign Affairs and National Defence—to see what we are doing well and what we could do better. Canada's development program was overly dispersed—I've mentioned that before, although I'm not sure if I have at the committee—in that Canada has been giving aid to approximately 155 countries and spreading ourselves too thin; trying to have expertise in too many areas and trying to have an impact on the reduction of poverty with far too few dollars when you're spread that far.

As you've mentioned, we have created a list of 25 countries we are referring to as full development partners. By the year 2010 those 25 countries will receive two-thirds of Canada's bilateral funding.

The criteria that were applied were three. There was first of all determining the level of poverty. In these countries the per capita annual income is less than \$1,000 U.S. per year. They are countries that on the human development index of the United Nations rank as most destitute.

The second of the criteria was the ability to use aid effectively. I think that is very important in development. These are countries whose policies and institutional development allow them to absorb the aid in an effective manner. In this category of criteria, we have looked for a commitment to good governance. We have not asked that they have achieved all one hopes for in the area of governance, but certainly that they show a commitment to getting there.

That was part and parcel of where we were on the first two criteria. On the third one, we were looking to where Canada can make a difference. In other words, what role has Canada been playing in these countries in the past? Are we fifteenth or sixteenth on a list of donors? Or are we perhaps in the top three or four, in which case we have developed linkages, strategies, and relationships that are allowing us to bring some very great Canadian values to their development?

Those were the three, and if you apply those three across the board, you will see that every country that met them is on the list and any country that is not on that list did not meet one of the three criteria. So there is an integrity to it.

**Hon. Dan McTeague:** Thank you, Madam Minister. I think I will turn it over to Mr. MacAulay.

● (0945)

**Hon. Lawrence MacAulay (Cardigan, Lib.):** Thank you very much, and welcome.

Since I've become a part of this committee, I've always strongly supported NGOs and partnerships from this country to other countries. There's always been a lot of conversation about our involvement in China, for example, and other countries. You're talking about the changes we made and about our wanting to promote good governance. I expect that would be the independent judiciary, good health programs, good educational programs in countries around the world.

If I understand it correctly—I would like you to expand on this, but if I understand it correctly—that is in fact what we are doing in China. We are sending our partners or NGOs to China to work with other groups to enhance the judiciary, the educational system, the health system, or whatever. It's important that we make it plain and clear that we're not sending money to any government; we're sending money to a country in order to improve the governance and the situation in that country—and other countries around the world.

**Hon. Aileen Carroll:** That's exactly so. What I've done, Mr. MacAulay, as a result of the IPS is reduce the variety of initiatives or relationships with NGOs going into China to two of our five sectors, those two being governance and environment, because we feel we have the strongest track record in China in both of those areas. When we look at what will most impact China from our perspective, it is to get involved or continue an involvement in those two areas, and of course they are two of our five sectors.

If I can just step back a bit, when I was a backbencher Lloyd Axworthy sent me to North Korea as one of a very small group of people. His request was that we look at the possibility of extending diplomatic relations with North Korea. We came out of a week and a bit in that country and worked with him and others to write the report and recommended we go ahead.

There are few countries in the world with worse profiles on human rights and every conceivable suppression of freedom we would want to see than North Korea. I would say North Korea and Burma; they don't get much worse. There's a gulag there; it's incredible. What did we recommend? We recommended that we extend diplomatic relations. Why? Because the only way to impact a country is to have a connection with the country, to have the ability to talk through a relationship and then impact development and change.

**Hon. Lawrence MacAulay:** What you're saying to me, then, is that in these countries what you wish to do is to engage with people in that country, the population of that country, so they understand exactly how other countries operate, how other countries live, what their health priorities should be, what their judicial priorities should be, and what their educational priorities should be. Then there would be a force from the people themselves to change the government and change the action of government. Is that what you're telling me?

**Hon. Aileen Carroll:** Yes. I don't think I could say it any better.

We can keep these countries in bubbles and they will continue to fester or we can engage them for the reasons you've given, particularly a country like China, which by any criteria is a tremendous force in the world today and is going to be an even greater force. Therefore, I think it's incumbent on us, where we enjoy a certain relationship, to use that force for the good and to take what we do particularly well in Canada—hence, I pick governance and environment—and alter the course in China and help to create a cognizance of human rights, a rules-based society, and the separation of judiciary, in all of what we're trying to do.

Claudette Bradshaw, when she was Minister of Labour, reminded me after one discussion in the House of Commons of the work that was done by Canadians in setting up the labour law legislation in China, and she said it was a huge success. I don't have the details, but she talked about that and the progress that was accomplished. If you've improved the labour laws in that country, you've done a whole lot for the workers in that country, and their situation within Chinese society is better because of what Canada brought.

These are complex relationships, and we can say they're communists or they're this and throw our hands up in the air and step back from the table, but that's not what international relations is all about today—or any other time.

Thank you for your question.

• (0950)

**The Chair:** Go ahead.

**Hon. Lawrence MacAulay:** I fully agree, and in your statement too you indicate there's going to be a group of voluntary and private sector leaders put in place in order to indicate what changes need to take place. With that, will that help to explain how the international development assistance envelope will be managed over the next number of years?

**Hon. Aileen Carroll:** I'm not sure I got that, Mr. MacAulay.

**Hon. Lawrence MacAulay:** In your statement you indicate you're going to appoint voluntary or private sector leaders. These experts from Canada and development countries will review our partnership programs so that we may further innovate and excel in our programming.

**Hon. Aileen Carroll:** Exactly.

Sorry, I drifted on you. It happens.

I'm very excited about that. We've certainly completed an evaluation on the NGO project facility and that's been helpful, but in many ways it leads into the larger task at hand you've mentioned, and that is to have experts assist us as we look at the relationships we're having with civil society—in Canada, all of the NGOs and the private sector, which is part and parcel of partners, and, as Ms. Guergis mentioned, the need to look at the partners within the recipient countries.

We have our work cut out for us, but the first task was to get that IPS done. I think it's an excellent piece. Quite frankly, we had a lot of brouhaha in the press that it was taking too long, but I think we came out with a Cadillac product. Now we're very excited as we begin to implement it. In fact, we have already started, so I say most sincerely

that it's an exciting time to be doing international development in Canada.

**The Chair:** Thank you.

Ms. McDonough.

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

I appreciate the opportunity, Minister Carroll, for you to be with the committee today. I know you're aware that this committee has worked long and hard to reach a unanimous resolution to use all available means to get the government to commit to meeting the 0.7% ODA. It also set out two other important unanimous views: the need for government to strengthen its relationship with civil society to improve aid effectiveness; and the need to introduce legislation that would establish poverty reduction as the centrepiece for Canada's official development assistance.

I think this committee wants to know that you're an absolute champion of these positions. We all appreciate that you're not here to talk about what goes on within cabinet, when you're fighting like hell for those objectives. But it is deeply worrisome and frustrating to have the finance minister sign on to the 2005 report from the Commission for Africa, which calls for 0.7% as the centrepiece, and then make never-ending rationalizations for why Canada can't commit and how we can't afford it.

You, yourself, this morning played the game the finance minister plays all of the time. We go on and on about how we are so proud of our fiscal capacity. We are so proud that we are a country in massive surplus. Then we turn around and criticize the European governments that have committed and are doing it. This just lets the government off the hook. I want to hear from you, can we be confident that you are championing the need to move on this? We're not committed to millennium development goals unless we do it. It has been made clear by witness after witness that it is meaningless to say we support millennium development goals unless we're moving to the 0.7%. We're not committed to making poverty a thing of the past unless we're doing it—not just saying it, but doing it.

I wanted to know whether you can assure this committee that you are championing it in every way possible. Can we expect you to introduce legislation that commits us to poverty reduction and moves us to 0.7%? Also, what can we do as a committee to support your efforts? We want to work in partnership with you to make this happen. It is disconcerting when you trot out these same rationalizations. Maybe the finance minister has to do this so he can be seen as Paul Martin II, with all this talk about fiscal responsibility. But you're the CIDA minister. You're the minister who needs to get us there. We want to know what we can do to help you make it happen.

● (0955)

**Hon. Aileen Carroll:** I was a member of this committee, as you know, Ms. McDonough, and I loved it. I was a backbencher a whole lot longer than I've been a cabinet minister, and I think the work we do in committee is hugely important. You can be assured that I have not read every word of all of the witnesses who have come forward on this issue and others, but I watch very closely and read the précis of all of the testimony. I think what you do and what you will continue to do has great impact—as it should.

Aside from the way you view the Prime Minister about the 0.7%, I think you should know, on the matter of the democratic deficit, the time he gives and the time he takes to do exactly what I'm describing I do to stay connected with what is happening in committee is very valid, and it's a major priority for him.

I can say that on the matter of the legislative mandate, the committee has put that forward unanimously. I certainly think there is value to a legislative mandate for the development agency, but I think it has to encompass what we're doing in development as a whole. I don't think it behooves us or makes us more efficient to carve CIDA away from a whole-of-government approach. You would probably agree with me there. The mandate we give should be a mandate that explains where Canada is going in all aspects of development. I would just mention that. And, yes, I think it would be of benefit to see that come forward.

I know there have been expert views regarding the 0.7%. I read them in the papers. In everything I've been telling you about the international policy statement, I truly believe, and I know Jeffrey Sachs believes—I was on the phone with him just Friday night, and he came to your committee—that the effectiveness of aid is not a throwaway line. How effective we are is very, very vital. While we talk about 0.7%, which is a straight issue of volume, we also have to do what we've been clever in doing by creating, for instance, those 25 countries that have the capacity to use the aid. I think the capacity dimension is real. It has to be considered in your deliberations and perhaps be given more attention from the media, who are now running on just the 0.7% and nothing else.

To ask me to step away from my government is not something I can do. I can only assure you that I personally see this as a very worthwhile goal.

Just last night I ran into Jeffrey Pearson, the son of Mike Pearson, at an event and had, as you might guess, a very interesting discussion.

So I understand it, and I believe it is a place we have to get to. It is a goal that has to be very much up front and one that I assign considerable energies to. I really can't add much more than that.

**Ms. Alexa McDonough:** I have to say, it's deeply disappointing that you don't seize the opportunity. For you to lecture this committee that we're not concerned enough about aid effectiveness—

**Hon. Aileen Carroll:** I didn't lecture you at all. I would never presume to lecture.

**Ms. Alexa McDonough:** Maybe condescension is a better word.

If you're giving half of what the international standards set by Pearson would indicate should be our contribution to international aid, and you are so totally preoccupied with aid effectiveness, it just comes across as disingenuous. There's not one member of this committee, across four political parties, who doesn't agree that aid effectiveness is extremely important.

For this government to even think they can preserve their reputation in the international arena without making that commitment to 0.7% and then dismiss it as, well, you know.... It's as if it's not that important or it's just one more little factor. It's at the guts of whether we can hold our heads up and expect to have a reputation internationally. We heard that from witness after witness after witness: leaders in foreign international development and international cooperation, leading policy experts in the field, and our own senior bureaucrats and former ambassadors all say that our reputation is in shatters if we can't see some leadership.

I ask you again, can we look to you to start making this much more of a priority? Do we have any reason to conclude that it is a priority with you as minister, in spite of the amount of rationalization and prevarication that we hear from you on the issue at every opportunity?

● (1000)

**Hon. Aileen Carroll:** I don't think it's fair to say that I consider 0.7% as a throwaway. I don't think I've said anything here or in any other venue that could be interpreted that way.

I believe 0.7% is a very important goal. I believe it is a place we have to get to. I've said that here and I've said it elsewhere. And by no means did I mean to sound condescending in making reference to aid effectiveness, but I have authored a paper in which aid effectiveness is a very integral thread. Making reference to it was not in any way to denigrate the discussion at hand.

I can say no more than that at this time.

**The Chair:** Thank you.

There are 10 minutes left, which means I will get a few questions.

Mr. Bevilacqua, go ahead.

**Mr. Maurizio Bevilacqua (Vaughan, Lib.):** I'll be very brief.

You're obviously agreeing that 0.7% is a goal. So as you look at that goal, you probably chart a course, as with any goal you make in life. How are you going to get there? Essentially, that's my question. What has to happen? What conditions?

**Hon. Aileen Carroll:** First and foremost, you've heard the government make clear that they will get there at a point when they can afford to, which I've said. They'll get there if there's no risk of it creating a deficit.

The amount of money we're talking about is somewhere in the realm of \$40 billion. As you know with your fiscal background, the government has to plan for how it can best absorb an expense of \$40 billion. It would have to look at a strategic approach as to where you would, in the years...given that 2015 is the year of the commitment of the MDGs. Some countries have given that; some countries have given earlier than that; some countries have already got there.

But if we're looking at a fiscal plan, you need to look at where you can accommodate an increase of \$40 billion—in what years, in what manner. Those kinds of discussions have to take place.

**Hon. Maurizio Bevilacqua:** I think on this particular issue it's very important to outline to Canadians, especially, that you're in fact talking about \$40 billion, because after all, they're also part of the debate and they also have to make decisions, because it's their tax dollars that we're investing. And 0.7% is not a very large number, but it's very large in the sense of looking at the fiscal impact.

The understanding I have, Ms. Carroll, is that the government has in fact a plan to reach that 0.7% goal, and 2015 is what you're looking at.

**Hon. Aileen Carroll:** Your understanding is that the government has a plan?

**Some hon. members:** Oh, oh!

**Hon. Aileen Carroll:** Sorry, Mr. Bevilacqua.

**Hon. Maurizio Bevilacqua:** Well, you said you have a goal.

**Hon. Aileen Carroll:** I said I had a goal.

**Hon. Maurizio Bevilacqua:** A goal without a plan, right?

[*Translation*]

**Mr. Pierre Paquette:** In French, we say that it's the hand of God.

The hand of God will lead us to point 7.

[*English*]

**Hon. Aileen Carroll:** You're asking me the same questions and I'm giving you all of the replies that I'm capable of giving you at this point. I can continue to repeat them, and that annoys Ms. McDonough—

**Ms. Alexa McDonough:** What the government is doing is what annoys us.

• (1005)

**Hon. Aileen Carroll:** That's right, because Ms. McDonough and I, being two old girls from Halifax, don't usually annoy each other.

Nevertheless, Mr. Bevilacqua, I don't think I can add anything further in the way of insight or wisdom to the comments I've made.

**The Chair:** Fine.

Mrs. Guergis, just one question.

**Ms. Helena Guergis:** I have one question and my colleague has one, so we'll get them in and you can give the answers to the chair.

Considering what's going on between Ethiopia and Eritrea, why choose one and not the other? We have had some witnesses who've raised that question with us; they're somewhat baffled by that. They think we're choosing sides.

The other question is on the Live 8 concert. We've called for the fees to be waived, and I'm curious to see if you would support that.

**Hon. Aileen Carroll:** Ms. Guergis is my neighbour. We're going to move it to Alliston.

On Ethiopia and Eritrea, there has been a UN appeal, as you know, for Eritrea, and I've responded with \$5 million at this point. I'm watching carefully your debate, but in a more urgent manner,

watching what's happening there. But \$5 million puts us in excess of Canada's usual percentage. Countries have a certain percentage on these flash appeals. So at \$5 million we are above that.

As I'm sure the committee is aware, Eritrea's record on governance, human rights, and religious freedoms has been incredibly poor. As a result, it has not qualified in the past as a full bilateral partner with CIDA.

We have assisted in the past, since 2002, with over \$8 million, but we do so in a humanitarian effort rather than in a full-blown development kind of partnership.

On the other hand, Ethiopia is one of the development partners. It has met the three criteria that I have outlined with the committee to determine those partnerships. Ethiopia has reached a level, in all that criteria, where development assistance can be effective.

One cannot, for instance, do development where you have no security. You cannot do development in certain situations, in a number of failed and fragile states. You can build them to a level of security where your development starts to root. These are lessons that every donor country has learned over the years.

So I'm watching carefully there, and I'm not averse, Ms. Guergis, to further assistance if I think that has to happen, but I'm sure you're cognizant of the tremendous pressure and the number of requests that are coming to us on a number of horrific situations, whether it be the Congo, which has been described as a lost nation insofar as it has not received the attention that many would have it receive.... I'm watching the Congo very carefully.

**The Chair:** Ms. Carroll, I think we need to go to Madame Lalonde for a question and then to Mr. Sorenson.

Just a question, no preamble, please.

[*Translation*]

**Ms. Francine Lalonde (La Pointe-de-l'Île, BQ):** Ms. Carroll, thank you for being here.

You said with regard to your five areas of focus that you were developing a strategy. Did I understand you correctly?

I'd like to know your thoughts on that strategy. I'd like to know what direction you're taking, because development goes far beyond a series of programs in time. Development is much more than that, and what you're proposing is development.

What's your thinking?

[*English*]

**Hon. Aileen Carroll:** I'm not sure I understood. Are you asking how we are going to move to focus more and more on the sectoral?

**Ms. Francine Lalonde:** On development more than programs. Programs added to programs don't mean development.

**Hon. Aileen Carroll:** No, it doesn't.

First and foremost, Ms. Lalonde, in development, you have to take your cue from the government of the developing country that you're attempting to assist. The fact that they must move forward internally in developing a strategy for poverty reduction is a very important first part. Their priorities are the number one priorities. They know where they need help the most. That's the first step that has to be accomplished. It's one where we have assisted, but once that is set, we attempt to work within the framework they have established. You're quite right that we don't just shoot a project hither or thither.

When working within the poverty reduction strategy, it's very incumbent upon us to look, as I do at the ministerial level and as my senior officials and others do, at what other countries are doing as well. The ability to overwhelm countries is very real. The number of civil servants who are in one office, with the experience and skill sets to handle your coming in to give them aid, your auditing systems, and what you want from them, is a very small number of people.

In the past, for example, what frequently happened was the Brits would come in with an education project. All four of those civil servants would get to work with the British. Then the Dutch would knock at the door, and two of those civil servants were pulled off to see if they could handle the Dutch, and then, oh God, the Canadians would come.

Another thing that's very important in a very hands-on way is that we work as donor countries and in a very coordinated manner come to assist on education, as they have defined it, and on what they need. We work in a coordinated manner on the health side, building the capacity before they can even take advantage of a bill like Canada's Bill C-9 and the provision on antiretroviral drugs. You need to have people on the ground who can distribute and prepare people with food and all that's required. There is a sequencing and a need for coordination. I think that coordination is greater than it ever was in the past.

How do we know about poverty reduction strategies? How do we know that we have to coordinate? How do we know who we work with best in what priority sector? It is just experience. It's the years of giving aid, learning from the mistakes that we made, and moving forward.

I don't know if my colleagues would like to add to that.

• (1010)

**The Chair:** We'll go to a question from Mr. Sorenson.

Mr. Sorenson, please.

**Mr. Kevin Sorenson (Crowfoot, CPC):** Thank you.

Isn't it a fact that world poverty isn't your priority? Isn't that clearly the fact?

We've been debating Bill C-48 for the past I don't know how many days. The NDP come and you guys sign a deal together, but it wasn't a priority. It couldn't have been a priority for the NDP then. It wasn't included to increase any large amount of aid around the world in that bill or to try to get the budget more committed to that. There wasn't a huge priority there.

**The Chair:** Are you not in favour?

**Mr. Kevin Sorenson:** No, I'm not in favour.

**The Chair:** I'm sorry, I didn't want to interrupt. Go ahead with your question.

**Mr. Kevin Sorenson:** There's nothing in Bill C-48 that says we are going to come forward with this plan, that we're going to see incremental steps, and that we're going to attain the goals you talk about. Even though we hear a lot about prioritizing aid, it never really shows up. When push comes to shove, it doesn't show up.

There is one comment that I do want to ask about. It's your comment saying we should be more involved in North Korea. Do you believe there is never a time that we would break diplomatic relations with any country for any reason?

Here you have North Korea and Burma, which probably, as you rightfully said, have the largest number of human rights violations continually threatening, even now with the nuclear proliferation and all they're doing. You're suggesting that we should put in money and be involved in North Korea. Can you tell us what you'd like to be doing in North Korea?

**Hon. Aileen Carroll:** If I'm not speaking clearly enough, that may very well be.

**The Chair:** Ms. Carroll, be brief. You have 30 seconds.

**Hon. Aileen Carroll:** I used the example of North Korea not to say anything, in the point I made, other than that you have to communicate. You need to have a relationship. You cannot keep that country in the bubble it's in and think you're going to change the things it's doing. That's why I mentioned it.

That's why we extend diplomatic recognition. Recognition is not approbation of anything the country is doing. Diplomatic recognition merely means you have now created lines of communication, and only when we do that can we have an impact on that country. Otherwise, you're letting it remain as a nuclear time bomb. You are not trying to have an impact. The naïveté of continuing to not talk to countries or to not have relationships with countries whose behaviour does not meet the Canadian standard is incredible.

It's just as your party said last week, on Friday, in question period, that we should stop trade with China because we think there's something happening.

• (1015)

**Mr. Kevin Sorenson:** That's not true.

**Hon. Aileen Carroll:** I think it's high time to—

**Mr. Kevin Sorenson:** No, it's not your time; it's my time. Stop trading with the second-largest trading partner in the world? I don't think we suggested that.

**Hon. Aileen Carroll:** I think it's my time to answer. You weren't here on Friday. Get the blues on question period; that was what your deputy House leader said.

**The Chair:** Ms. Carroll, I have one last question for you—

**Hon. Aileen Carroll:** I can't get to you, Alexa, on the NDP.

**The Chair:** I have one question for you that is a little bit different. You talked about your five different categories. Concerning the third one, you say we'll reserve a special type of bilateral programming for a manageable number of countries in or emerging from crises that are of overriding strategic importance. Can you elaborate briefly, or give me one example of what you want to do?

**Hon. Aileen Carroll:** On the one-third balance of our bilateral—yes, we will use that, Mr. Chair, to continue or reduce our bilateral relationship. We will, as I made clear, continue on every commitment until we exit some of those countries. We will eventually be exiting some of the middle-income countries, but we will be continuing to use some of that budgetary resource while we complete programs, because we're not stopping any commitment.

We also will continue to aid countries like Iraq, Afghanistan, and Haiti with considerable funding, as you know, to assist those countries to get out of the situation of being failed and fragile states and to move them to the point where development can begin. Strategically there are countries in which we think Canada needs to keep a footprint, countries that must not fail, and countries wherein we're hoping to build other linkages, as we move in all of government. I can just add that Afghanistan is a perfect example of three departments working hand in glove. The PRT we put up—and I'm going to get to see that this summer, I hope, if we ever recess—is an ideal example of how development, defence, and diplomacy are having a good impact on a country that must not fail.

[Translation]

**The Chair:** Thank you very much, Madam Minister.

[English]

Thank you very much, Mr. Cameron and Mr. Rahman. I understand you will be appearing tomorrow at the human rights international development subcommittee and you will continue this lovely dialogue. That's my understanding.

We'll recess for two minutes.

•(1017) \_\_\_\_\_ (Pause) \_\_\_\_\_

•(1022)

[Translation]

**The Chair:** Please.

[English]

We're going to start now with the

[Translation]

second part of our meeting this morning.

[English]

As an individual, we have Mr. John Williams, who is the chair of the Global Organization of Parliamentarians Against Corruption—GOPAC.

[Translation]

Welcome, Mr. Williams.

[English]

Do you have some remarks to share with the committee to start?

**Mr. John Williams (Chair, Global Organization of Parliamentarians Against Corruption (GOPAC)):** Thank you very much, Mr. Chairman. I have distributed my opening remarks in both official languages.

First I'd like to introduce Dr. Martin Ulrich, the executive director of the Global Organization of Parliamentarians Against Corruption. Dr. Ulrich is a former senior member of the Treasury Board and is now working at the Parliamentary Centre.

Mr. Chairman, I thank the committee for the opportunity to tell you about GOPAC this morning as part of your study of the government's international policy statement. I believe what parliamentarians do is important for good government and democracy, for development and for security. Mr. Chairman, it is the role of parliamentarians—indeed, it is the constitutional responsibility of parliamentarians—to hold governments accountable for their management of resources and their stewardship of society.

Before describing GOPAC, I note that some of your witnesses have already emphasized that it's important that we be known by our deeds and by our results rather than by our words. I wanted to stress the importance of results to GOPAC because clear results are a key component of GOPAC's agenda.

GOPAC is an organization of parliamentarians from around the globe who represent at least 70 countries. With more than 300 members, it is organized in regional and national chapters. It was initiated at a conference in October 2002 hosted by the Parliament of Canada and held right in the House of Commons. It was formally incorporated in September 2002 with initial funding from CIDA and from the World Bank Institute.

GOPAC has independent regional and country chapters who work together with GOPAC's board and secretariat. We have identified three fundamental agendas to help parliamentarians be effective in their roles as representatives of society with the responsibility for oversight of government.

Number one is the provision of peer support for parliamentarians who are engaged in the fight against corruption. It is necessary for parliamentarians to know that they do not stand alone when travelling the sometimes lonely road of fighting corruption. Peer support will also include mentoring by informed members of Parliament to others, especially new parliamentarians, on the role of Parliament as the institution of accountability and oversight of government.

Number two is the provision of education programs for parliamentarians on a more formal basis to, again, understand their role as overseers of government. We send our young people to university to become lawyers, doctors, engineers, etc., but for us, we become instant parliamentarians with no experience to make us proficient in our role as overseers of government.

Number three is the provision of clear objectives with measured results. GOPAC stresses the importance of identifying clear objectives, starting with small steps and goals, for what we can achieve in the fight against corruption. Through measuring the accomplishments of these steps and goals, GOPAC and its chapters will be able to demonstrate effectiveness as an organization of parliamentarians who hold their governments accountable and will demonstrate the effectiveness of democracy.

In addition to regional and national agendas, GOPAC is working on global issues as well. Mr. Roy Cullen, member of Parliament, is actively leading GOPAC's global work against money laundering. Mr. Garry Breitkreuz, member of Parliament, is on our global working group on the implementation of the UN Convention Against Corruption.

GOPAC is a global organization whose board of directors is selected by regional chapters—but Canadians, and in this case Canadian parliamentarians, can play an important leadership role. You will recall that it was the Parliament of Canada and Canadians that hosted the conference here to create GOPAC in 2002.

I'd also like the committee to highlight the importance of effective parliaments, as well as trained and supported parliamentarians, to good governance. Canada's international policy statement emphasizes the importance of governance and notes that Parliament is an important component. The experience of GOPAC would stress this point more strongly.

We all know, Mr. Chairman, that corruption can only be controlled; it can never be eliminated. But here in Canada, when we find it, we leave no stone unturned to root it out. In my opinion, the difference between the developed world and the developing world is that we have corruption under control, whereas it's out of control in the undeveloped world because there's no effective oversight by parliaments on their governments. The developing world suffers from grand corruption by the leaders. Bribery and extortion is rife. Their economies are starved for capital. And the lack of competent courts and effective regulation prevent the flow of foreign direct investment.

In short, when parliaments fail in their responsibility to oversee governments, governments fail to govern their societies, and everyone is impoverished at best or subject to civil war and anarchy at worst.

•(1025)

Therefore, we as parliamentarians have a pivotal role to play in good governance. GOPAC, Mr. Chairman, is a case of Canadian leadership on a global initiative, created in the Parliament of Canada by parliamentarians. The global secretariat is at the Canadian Parliamentary Centre, and the current chair is a Canadian, although that of course will change, and therefore I ask that we recognize it, join it, and support it here in Canada and around the world.

Thank you, Mr. Chairman.

**The Chair:** Thank you, Mr. Williams.

There will be five minutes for questions and answers.

Madam Guergis, please.

**Ms. Helena Guergis:** Thank you.

I'll start with my own example. I recently went to Taiwan and was very embarrassed because some of the senior dignitaries, and I shall not name them, questioned the scandal going on in Canada and asked for comments. They kind of giggled about it, but then in all seriousness really wanted to know.

Are you aware—or was this just for me—whether there are other countries that are talking about the scandal going on in Canada?

**Mr. John Williams:** It's a major issue here in Canada and it is known around the world, but the key is we have spent perhaps \$100 million trying to root it out, with the Gomery commission, the public accounts inquiry, the police investigations, and so on. We leave no stone unturned when it comes to fighting corruption here when we find it. In the undeveloped world, it is just a shrug and business as usual. Because we control corruption here—we can't eliminate corruption, but we control it here—we enjoy our prosperity.

And that is why they are destitute in other countries: the leadership is not accountable to the parliament because the parliament doesn't work and therefore they can get away with the cash and sometimes even with murder.

•(1030)

**The Chair:** Thank you.

Mr. Menzies.

**Mr. Ted Menzies (Macleod, CPC):** Thank you, Mr. Williams, for your presentation, and congratulations to you for all the efforts you've put into this.

What role do you see this organization playing? Are you reploughing some of the ground the United Nations claims to cover, or is it uncharted waters you see this organization working on?

**Mr. John Williams:** This is uncharted waters, Mr. Menzies, by virtue of engaging parliamentarians. This is the first time parliamentarians as individuals, who have the constitutional responsibility to hold governments accountable, have come together collectively and said we have a job to do, and the better we can do our job, the better our governments are going to be in serving our society. The UN is a government-sponsored organization. Governments are important, of course.

Foreign aid is vitally important as well, but foreign aid, we have found, by itself does not do the job. Foreign aid must be accompanied by improved governance. Gordon Brown, the Chancellor of the Exchequer in the U.K. just a couple of weeks ago said, on the forgiveness of the debt by the impoverished countries, that from here on we expect improved governance.

The UN Convention Against Corruption is about improved governance. How are you going to get improved governance? It's by engaging parliaments and parliamentarians in each country and saying, your job is to hold your government accountable. If they can do that, then the governments are going to have to answer to their own societies for their corruption, for their maladministration, and if we have free and fair elections we know what's going to happen to governments that involve themselves in corruption and maladministration: they're out the door and replaced by somebody else.

[Translation]

**The Chair:** Thank you.

Ms. Lalonde.

**Ms. Francine Lalonde:** Thank you very much, M. Williams, and welcome. It's good to have you here. I have a number of questions to ask you.

I find this initiative very interesting. I'd like to know whether it covers the kind of legislation that governments should pass to fight corruption in private business. For example, is the Enron affair a sign that there's more corruption in the United States or that Canadian laws are less strict or not as well enforced?

There's a vicious circle in corruption. Let's draw a parallel with the legislation on political party financing. If those laws encouraged corruption among politicians who, in turn, closed their eyes to what goes on in the private sector, that would have a profound impact on the capacity of governments and parliamentarians for good governance.

[English]

**Mr. John Williams:** Thank you very much, Mr. Chair.

Corruption can be in the private sector; it can be in government. It's the government's responsibility to ensure that it is controlled and punished and investigated and so on. In the United States, of course, the Enron scandal resulted in the Sarbanes-Oxley legislation, again, to tighten it up, to try to prevent it from happening again. That is how the developed world responds when it finds corruption both in the private sector and in the public sector.

GOPAC aims to engage parliamentarians. It is our job to hold governments accountable. Now, there are a number of instruments, for example, the Convention Against Corruption of Santiago. Many countries in Latin America have signed on and ratified that convention. But implementation? Not interested.

How are we going to get these countries involved to engage their parliamentarians to hold seminars? Roy Cullen is actively working in Latin America to host a seminar to engage parliamentarians on the anti-money laundering legislation so we can give to the parliamentarians the documentation and the legislation and say, this is what you have to push for and this is what you have to have adopted in your country and implement it.

We can talk about it here in Canada or the United States or the U. K., but it has to be their own parliaments. They have to pressure their governments and hold them accountable and demand that they introduce this legislation and enforce the legislation if we are to see corruption reduced in Latin American.

We have the UN Convention Against Corruption—same thing. We have the new African convention against corruption. They pay lip service to them. Who's going to ensure that they move it forward? Their own parliamentarians—that is us—around the world.

•(1035)

[Translation]

**The Chair:** Mr. Paquette.

**Mr. Pierre Paquette:** You refer to money laundering. I was wondering whether in the context of your group's thinking, you were

proposing measures concerning tax havens. If we tolerate tax havens, that will reduce the effectiveness of any legislation we might pass on money laundering. As you know, approximately one-fifth of the money that passes through tax havens is laundered money.

I was wondering whether you were thinking about that. This requires a certain consistency in government decision-making. If we're opposed to money laundering, but foster the emergence or consolidation of tax havens, that contradiction will prevent us from ever eliminating money laundering.

[English]

**Mr. John Williams:** GOPAC is not into writing legislation. We have the political capacity to support the technical experts who draft these types of regulations. We have the Financial Action Task Force, part of the OECD in Paris, who have drafted the anti-money laundering legislation and initiatives. We can take their work and give it the political capacity to move forward and be implemented.

It's the same with the UN Convention Against Corruption, which deals with tax havens. It deals with the repatriation of assets that have been moved out of the country by leadership under corrupt practices. These instruments need to be enforced, and GOPAC's focus is to engage the parliamentarians to ensure that these instruments are implemented. We're not into writing draft legislation to deal with tax havens. We are asking Parliaments around the world to enforce the legislation that's already been written, such as the UN Convention Against Corruption. Have that implemented because that deals with the tax haven.

Our strength as parliamentarians is political capacity, political pressure, and therefore we unite our capacity for political pressure with the technical expertise that is around the world under the UN and the Financial Action Task Force and others. Together we're better, because that brings good governance. Tying it in with foreign aid, hopefully we can see a difference and an improvement in the prosperity in the undeveloped world.

**The Chair:** Thank you.

Ms. Phinney, please.

**Ms. Beth Phinney (Hamilton Mountain, Lib.):** Thank you, Mr. Chair.

I'd like to thank Mr. Williams for coming here today.

You mentioned that CIDA and the World Bank contributed to the funding of the first conference for this, when your organization was developed. Could you tell us what their motivations for helping you, for funding that, were? What organizations are funding all your activities now? Could you tell us that?

I have three questions, so I'll give you the three of them. I know you have a very definite opinion on what the role of parliamentarians is and how it's our job to oversee the government. You've explained this to me several times, and I find it quite interesting, your triangle about what our role is. If you could, explain that to the committee.

And you mentioned identifying clear objectives and starting with small steps. Could you give us a practical example of something you are doing, or several things you're doing around the world, to show us how you're taking these small steps?

**Mr. John Williams:** Thank you, Madam Phinney.

On the funding, yes, the Parliament of Canada, CIDA, and the World Bank Institute helped us fund the conference held under the auspices of the Parliament of Canada in the House of Commons in October 2002.

Since that time we've continued to enjoy the benefits of funding from CIDA and also from the World Bank. We have the secretariat located in the Parliamentary Centre. It manages the entire global organization and is headed up by Dr. Martin Ulrich, accompanied by program officer Meaghan Campbell.

We envisage funding to be in three legs. The first is North America. We are now asking the United States Agency for International Development to support the organization, and the signs are very positive that that will happen.

We would like to see one-third of the funding come from Europe. We have not been able to get European funding because we are a square peg in a round hole. We're not an NGO; we're not a government organization. We're an association of parliamentarians; we're not even a parliamentary association. So we are a unique institution. And we don't work regionally; we don't work on specific issues. We talk about governance and making parliaments work. So we've had a difficult time getting the Europeans to buy in. They recognize the benefit, but they just haven't found a pigeonhole where we can get some funding.

The role of parliamentarians is crucial. One has to be held accountable to be effective. That is a fundamental concept of human nature. I talk about what I call my hourglass theory. You start with the people at the top—society. They elect us as parliamentarians. Then our job is to hold the government—the prime minister and cabinet—accountable. Then they work down through the bureaucracy to the people at the bottom. So you have the people ensuring that parliamentarians, through elections, hold their governments, who deliver services through the bureaucracy to the society at large, accountable each and every day.

When that hourglass structure works well, we see good governance. It's when Parliament is ineffective, when that link in the hourglass doesn't exist or is broken and ineffective, that the people have no means to hold their governments accountable. That's when it falls apart.

Our Latin American chapter is working on the OAS anti-corruption treaty and the Santiago Convention Against Corruption. CIDA is supporting the Organization of American States. In fact, I meet with them this very afternoon to ensure that we can first of all determine which governments are moving forward on the treaty. We want to find out where the gaps are so we can inform the parliamentarians and say, "This is where you have to move forward".

I was down in the Caribbean, and the public accounts committees there are woefully ineffective. In fact, the chair of public accounts in Trinidad and Tobago said, "We have so much work that, without getting any more, we have enough to keep us going for the next 50 years". When I was down there they received the financial statements for a crown corporation that were 20 years old. Financial statements for 1984 were laid before the Parliament in 2004. Who can work with 20-year-old statements? So they need help and

support to make the public accounts committee effective. They don't know how to do it, and they don't know what their role is, so we work there.

There is an African Convention on Preventing and Combating Corruption. We're focusing on it. We want to move that convention forward, to have it implemented, to have it policed. They can sign on and ratify it, but if they don't go beyond that, it is meaningless words.

• (1040)

**The Chair:** Ms. McDonough.

**Ms. Alexa McDonough:** Thank you, Mr. Chair.

I've been sitting here listening to your presentation, and I've read some of the material from GOPAC, and I have to confess to being something of a skeptic. As I said earlier in the committee, surely there's no member of this committee or any other parliamentary committee who's for corruption.

We're looking at the name of the organization, which wants to set out clearly that we're a global organization of parliamentarians against corruption. I don't say this to be disrespectful, but it seems to me that for there to be real credibility in this organization and in the leadership that's driving it, there has to be, at the very core, a genuine notion of government itself being important in being a positive instrument.

I have to say that one of the things that distresses me a lot about both your party and many of those who grabbed on to this is that it feels to me as though you and your colleagues feast on government scandals. One always has the sense that without the scandals, we're not sure if there'd even be the oxygen you need to keep this fight going. I know that's overstating the case, but I just think it's pretentious and not accurate to say that this organization alone is concerned about this.

I've attended regional seminars in all of the countries of the Middle East on good governance. There is actually very practical, good work taking place, and Canada is there supporting it. I think we heard brilliant testimony before this committee from several witnesses who have worked hard to make sure that at the core of millennium development goals there would be a good governance measure and good governance initiatives.

I guess I'm just trying to get a handle on what this is really all about. When we had a number of NGOs appear before the committee, a number of witnesses—international policy experts—it didn't take more than two seconds for the members of the Conservative caucus to go straight to the scandals to somehow discredit what people are earnestly trying to achieve. My question is this: if this is to have a really compelling momentum to ensure good governance, can you give us some sense that what is driving it is an understanding that government as a proactive instrument is where this is coming from and what this is all about?

Secondly—again I come back to admitting to being a skeptic—there seems to be an amazing willingness to disregard the incredible amount of corruption that exists in the private sector that goes unregulated when a lot of what's needed requires more regulation and tighter restrictions. I guess I'm asking whether this organization, like your own party, is actually quite wilfully blind to the lack of adequate regulation that allows the private sector to do what it wants.

• (1045)

**The Chair:** Ms. McDonough, there are 30 seconds left for the answer. It was more a comment than a question. You have 30 seconds left.

**Mr. John Williams:** Thank you, Mr. Chair. I haven't found any parliamentarian who is opposed to good governance. It's quite different when you ask a parliamentarian, "Are you against corruption?" You will find a different answer because many parliamentarians around the world, believe it or not, are actively engaged in corruption. They are up to their ears in it. And therefore for them to make the statement that they're against corruption means they have a serious problem on their hands, and we find that this separates the sheep from the goats.

You mentioned about governance being a proactive force. Here in Canada, of course, it is. Around the world it's not necessarily so. We talked about North Korea as a despot regime when the minister was here, and in Burma it's the same type of thing. Human rights and so on are being trashed because the government is not accountable. Why is it not accountable? Because it doesn't have an effective legislature or parliament to hold it accountable on behalf of its citizens. When this institution doesn't work, don't think that governments are a proactive force in their society. They are not. They're there to fill their pockets.

And that is why we have called ourselves against corruption. This is to motivate parliamentarians to say we have a job to do. This is to engage parliamentarians, our colleagues around the world, and to say, if you do your job well, your government is going to act better on behalf of its society. That is why we have a responsibility.

You can't point a finger at government all the time. We are also the ones who regulate the private sector too, so if corruption is out of control or going on in the private sector, it's because we don't give the authority for the police and so on to investigate and prosecute.

**The Chair:** Thank you, Mr. Williams.

I will now go to Mr. Bevilacqua.

**Hon. Maurizio Bevilacqua:** I'm really interested in the genesis of this organization, the Global Organization of Parliamentarians Against Corruption. Do you think we should be creating global organizations of parliamentarians against whatever we're against or in favour of? Should this become a model, where we engage in a hundred issues that are probably important to people as well?

• (1050)

**Mr. John Williams:** Any parliamentarian can start any organization they want. I believe it's good for us to engage, as parliamentarians, to do the job we were elected to do, which is to hold governments accountable. That is the fundamental reason we are here. We may talk about policies, or more tax and less tax, or about more programs and fewer programs, or about doing things in a

different way, but fundamentally, Parliament's role is to hold government accountable. When that fails, government fails, and when government fails, society fails; therefore, we are the people who have that responsibility.

So this organization is parliamentarians against corruption. I could have called it parliamentarians for good governance. Even those who are up to here in corruption say, sure, I'm for good governance, as long as the money comes my way.

Sure, we have parliamentary associations. We have the IPU, we have the CPA, and we have others focused on their own particular issues. Parliamentarians have to be leaders. That's our job.

**Hon. Maurizio Bevilacqua:** How did this get started? Were you involved?

**Mr. John Williams:** If you want to know the genesis, Mr. Chair, I was at a conference on corruption in New Delhi, sponsored by the World Bank Institute. Several bank governors were there, auditors general were there, ministers of finance were there, and the *crème de la crème* were there. After four days of debate and discussion we had some great ideas, and I said, "This is good stuff. Where are we going from here?" Because it was strictly a conference, that was it, finished. One guy said "Why don't we do this again? Maybe we could meet in the foothills of the Himalayas next time." That isn't going to do a darned thing. Later on I was talking to a friend of mine from west Australia and he said, "John, what you have to do is start an organization, build an agenda, have people get involved so you can move the agenda forward." That was the genesis of GOPAC.

**The Chair:** Thank you.

Ms. Phinney.

**Ms. Beth Phinney:** When I asked you about identifying clear objectives, you mentioned the Caribbean, and you said in answer to somebody's question that they're woefully ineffective, the parliamentarians.

When you read this you don't quite know what you're doing. They are nice, lofty ideas, but it doesn't tell what you're doing.

What do you expect those parliamentarians in the Caribbean to do? Are they supposed to walk in one day, those four members you have in their parliament, and say "We're going to take over the government and we're going to run it properly"?

Give us something tangible that you're doing.

**Mr. John Williams:** We're trying to line up every regional chapter with a multilateral organization. For example, our Latin American chapter is aligned with the Organization of American States; our Middle East Arab chapter is aligned with the UNPD.

In the Caribbean, I was hoping to get the Commonwealth Secretariat out of London, but it seems they would prefer that we use CARICOM as the multilateral organization to support the parliamentarians. What we need to do is have a conference of parliamentarians in the Caribbean, where we bring in, for example, the chairs of the public accounts committees and say, this is how you have to do your work; this is how you hold your executives accountable.

These parliaments are dominated by their executive, who are quite happy to have parliamentarians who are ineffective; therefore, we have to change that and give them the information, the education, and the tools through education. That's why we as parliamentarians have the responsibility to share our knowledge with parliamentarians around the world who don't have it.

**Ms. Beth Phinney:** Okay.

Are we going to vote?

**The Chair:** Yes, we have a vote, but it's at about 11:12 a.m. That means we have another 10 minutes.

I have a question for you, Mr. Williams.

First of all, you say you have some funding from CIDA. I would like to know the amount of funding from CIDA.

The second thing is, you say you're present in roughly 70 countries in the world. I want to know if you have any members from undemocratic countries in the GOPAC organization or from any countries you would say are in violation of human rights.

I know you are a very young organization and are doing very well for the moment. There's no problem. I just want to know if you see any changes in some of the countries—say, in the behaviour of the parliamentarians in some countries, where they can help control corruption in their countries.

This is my last question. There are associations or groups, such as Transparency International, that make reports on a yearly basis. Do you, first, work with the association Transparency International, and do you have a yearly report in the GOPAC Canadian section?

•(1055)

**Mr. John Williams:** Thank you, Mr. Chair.

On your first question, on funding, Dr. Ulrich, are we getting about \$150,000 a year from CIDA at this point in time?

**Mr. Martin Ulrich (Executive Secretary, Global Organization of Parliamentarians Against Corruption):** Yes. The core funding—and I call it core because it's for the global secretariat rather than for all the other areas—is \$150,000 from CIDA.

I should say it is important to recognize that of all the parliamentarians who work on GOPAC, and the board of directors and executives from around the world, none of those people is paid any funds out of this. They volunteer their time, and the amount of in-kind support that comes in, even by what I would believe to be very modest estimates of it, equals that amount of money. We also have received special funding for some work leading up to our global conference from the World Bank Institute this year, roughly about \$100,000 Canadian.

**Mr. John Williams:** On your other questions, on democracy, first of all, I point out that Ukraine and Georgia had their quiet revolutions without any bloodshed. The parliamentarians there need to know that there is other assistance around the world that they can rely on—us, for example. I've been having discussions with the Westminster Foundation for Democracy in the United Kingdom to see if perhaps we can find the opportunity to hold a conference in Lebanon. As you know, they've just gone through elections. There's been a dramatic change in the democracy there. We have to give the newly elected parliamentarians in Lebanon the education and the information they need to be effective parliamentarians, rather than getting into sectarian agendas, and to understand their role as parliamentarians.

On your third point, concerning Transparency International, yes, we work very closely with TI. Their chapters around the world are supporting our national chapters, because I prefer that they handle the money instead of the parliamentarians, Mr. Chairman; therefore, we work with Peter Eigen and the headquarters in Berlin, as well as with chapters around the world.

**The Chair:** I have a last question, Mr. Williams.

You came with regard to our study concerning the international policy statement. If you had one recommendation to give our committee to submit to our government, what would be the type of recommendation you would like to give us that we could put in our document to recommend to our government?

**Mr. John Williams:** The recommendation I have, Mr. Chairman, is this. Governance goes hand in hand with foreign aid to achieve development, and the governance comes from parliamentarians' oversight of government. Therefore, foreign aid has to build the democratic institutions in the country, rather than just projects for more electricity, and so on, because we know so much of that money disappears down through the sand because of corruption. Governance and parliaments need to be built so that they are effective.

I can think of one member of parliament from Africa who told me that, as a member of the opposition, his total resources were access to two public telephones on the wall, which most of the time didn't work, so how could he be effective?

Parliaments are a fundamental part of democracy. Democracy equals development. Therefore, we have to ensure that we recognize that.

It's interesting to note that in any document by the World Bank, from 1945—its inception—until about the mid-1990s, you will not find the word "corruption". As far as they were concerned, they were blind to it. Now they recognize that fighting corruption is fundamental to development, and governance is fundamental to fighting corruption—that is, parliaments need to work.

**The Chair:** Thank you very much, Mr. Williams, for your appearance here this morning.

I just want to tell my colleagues that Thursday morning there will be a continuation of our IPS study. There will be, from the Canadian Council of Chief Executives, Mr. Thomas d'Aquino, and from the Canadian Labour Congress, their vice-president.

[*Translation*]

It's also possible that we may hear from Mr. Massé, of the FTQ. That's not confirmed yet.

Mr. McTeague.

[*English*]

**Hon. Dan McTeague:** Mr. Chair, I think it's in the interest of all the members of this committee that we somehow resolve the ongoing imbroglio over the motion by Mr. Day. I appreciate that Mr. Day made a comment to all that we weren't treating his motion seriously, prior to last week, but it seems to me rather interesting that this thing has been floating out there for about two and a half months now. We had two opportunities, today and yesterday, in which to deal with it. Mr. Day's schedule does not permit him to be here.

I wonder if it might be the committee's view that we press the issue with Mr. Day one way or another. Frankly, I think the issue can be resolved, but it would appear that in his consistent, continual

absence, this thing seems to stand out here for some spurious reasons. I don't know, but I think it would be very helpful if we could get direction from the chair to Mr. Day as to when he wishes to treat this, because I know there are more motions coming, and it just makes the job of this committee a lot more difficult. We're devoting different days and different times and adding on an extra half hour to try to treat these, but this is so patently unfair to the rest of the committee.

• (1100)

**The Chair:** Fine, Mr. McTeague. I understand.

I'm going to talk to Mr. Day, and we'll probably do it on Thursday, during the first portion of the business, at 8:45—usually the meeting is from 9 o'clock until 11 o'clock—fifteen minutes earlier. We'll see what will happen, but I'll speak with him first.

The meeting is adjourned.

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