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Chair

Mr. Dean Allison

Standing Committee on Foreign Affairs and International Development

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● (0850)

[*English*]

The Chair (Mr. Dean Allison (Niagara West—Glanbrook, CPC)): Good morning, everyone, and welcome to meeting number nine of the Standing Committee on Foreign Affairs and International Development.

Pursuant to Standing Order 108(2), we have a briefing on the Global Fund to fight AIDS, Tuberculosis and Malaria. To all of those who were able to make it in, even though there's only one elevator working, welcome. It's always amazing when you have a brand new building that we could actually have only one elevator working so soon.

Here's what we have in terms of business today. We have witnesses that we're going to hear from for the first hour or so, then we'll get into some committee business and go from there.

I'm not going to do any more talking. I'm going to turn it over to the witnesses. Once again, I want to welcome everyone and thank them for taking the time to be here this morning.

We have with us Svend Robinson. I think pretty much everyone should know Svend. He's a senior adviser on parliamentary relations.

Welcome back, sir.

We also have with us Christoph Benn, the director of the external relations and partnerships cluster.

Both of these gentlemen are with the Global Fund to Fight AIDS, Tuberculosis and Malaria.

From CIDA, we welcome two gentlemen: Paul Samson, acting vice-president of the multilateral programs branch, and David Stevenson, who is the director general of the global initiatives directorate.

I believe each group has an opening statement, after which we'll proceed with questions, like we normally do.

Why don't we start with you, Christoph? Welcome. I'll turn the floor over to you.

Dr. Christoph Benn (Director, External Relations and Partnerships Cluster, Global Fund To Fight AIDS, Tuberculosis and Malaria): Thank you very much, Mr. Chairman.

Thanks so much to all of you for being here this morning and for your continued interest in the Global Fund. It's always a pleasure for me to be here.

I will present to you some of the most recent results in the fight against the three big infectious diseases—AIDS, tuberculosis, and malaria—and also will make a few comments on where the Global Fund stands right now.

Let me first of all express my sincere thanks to Canada. Canada has been one of the founding members of the Global Fund. As we will hear later on, some of the important meetings leading to the creation of the Global Fund happened here in Canada.

Canada is one of the largest donors to the Global Fund and is represented on our board. I'm delighted to be here with Mr. Stevenson, who is representing Canada on our board. Canada is involved in the Global Fund in many different ways. We want to thank you for your continued support.

I have prepared a couple of slides. I will not talk to all of them. I just want to focus on a couple of key results. Also, just over the last couple of weeks, there have been some important reports coming out that are worth focusing on.

The Global Fund was created exactly 10 years ago to mobilize significant resources to support countries in their comprehensive programs against these three diseases. I think we've made significant progress over the years.

We have three so-called top indicators. That means we measure continuously how many people we support on treatment and what we do on prevention. In current numbers, we are supporting 3.2 million people on AIDS treatment, people who would otherwise not be able to survive without that support. We have managed to treat more than 8 million people suffering from tuberculosis. We have helped to distribute almost 200 million insecticide-treated bed nets in the prevention of malaria. We also support many more activities. You will also see from our slide how these numbers have been going up over the last couple of years as countries have implemented very successful programs.

I have a few comments on each of the three diseases. To begin with AIDS, a report from our partner organization, UNAIDS, showed that in many countries the infection rates are finally going down now. Not only is treatment successful—many people who are receiving this treatment can lead a normal life, look after their families, and be productive members of their societies—but prevention is also working. Treatment and prevention are going hand in hand. New infections have fallen by nearly 20% in the last ten years and AIDS-related deaths are down by 20% in the last five years. I think these are significant, measurable results.

We are also strongly focusing on the prevention of mother-to-child transmission. As you know, the virus can be passed on from a pregnant woman to her baby. We have the means to prevent this and we are applying it in many countries. Altogether, we have supported one million women for the prevention of this transmission, and that has saved countless lives of children who have not become infected with HIV.

Now, for a few words about tuberculosis, on October 11, just this month, the Stop TB department of the World Health Organization issued a new report, “Global Tuberculosis Control in 2011”. That was an historic report, because for the first time in decades they could report that TB cases worldwide are falling. That was a difficult achievement. It had not been the case previously, but now we see that the number of people newly infected with tuberculosis has been falling, as has the number of people dying from tuberculosis, because we can successfully treat and cure this disease.

This success, by the way, started mainly in Asia. Many of the big Asian countries have a huge burden of tuberculosis, but now also in Africa we have the dual burden of HIV and TB infection, which is one of the big challenges in addressing tuberculosis.

● (0855)

Finally, probably the most dramatic is the success in malaria control. A very recent report from the Roll Back Malaria Partnership of the WHO was issued in September. It also shows that the number of deaths is going down. Numbers of countries are now reporting the elimination of malaria or reporting that they are approaching the elimination of malaria. That is a huge success. It is possible with combined treatment, distribution of nets, and mosquito control. I've personally witnessed that in a number of countries I visited this year. My background is in tropical medicine, and I've worked for more than 20 years on malaria, so to see that this deadly disease is dramatically going down in so many countries is extremely encouraging.

Last week, at a big summit hosted by the Gates Foundation, there were reports about successful trials on a malaria vaccine. That still needs to be confirmed, and it will take a few years to develop so the vaccine will be on the market, but for the first time, a vaccine candidate has proven to be effective to prevent 50% of the infections. It's an additional tool that we might have a few years from now and it really might lead to the elimination of malaria in many countries.

Altogether, these programs are having an effect on all the health-related MDGs, including child mortality: MDG 4. I have one slide here that shows the example of Tanzania, where the combined programs are now leading to a reduction in the mortality of children.

I would also like to point out here how interconnected MDGs 4, 5, and 6 are, particularly as Canada has taken the lead on maternal and child health. We would really like to applaud Canada's leadership on that. The Global Fund is contributing to all three millennium development goals: children, women, and infectious diseases.

In closing, I have just a few words about the Global Fund itself. It is exactly 10 years old. It was created after a UN General Assembly meeting in 2001 and started operating in early 2002.

We are now, in this particular period, following some reports about corruption in a number of countries that the Global Fund has been supporting, which the Global Fund itself had actually detected. It was the inspector general of the Global Fund who found out about these cases. They were reported in the media. That led us and the Global Fund board to appoint a high-level panel of eminent persons to look into the best fiduciary controls, and how the Global Fund, in its second decade, can strengthen that part of its operations.

We very strongly believe in transparency and accountability, which go hand in hand. On transparency, we make public all our disbursements and all our reports of the inspector general. We think this is one of the best preventions of corruption, but that's also why there was a lot of public discussion.

We therefore initiated a reform agenda, following the recommendations from this high-level panel. That will be discussed at a board meeting that we will hold in Ghana next month. Then we will implement the recommendations, which hopefully will strengthen the operations of the Global Fund further so we can continue to make really good progress on the three diseases.

I'll stop here. I very much welcome the discussion we are going to have later on.

Thank you very much, Mr. Chair.

● (0900)

The Chair: Thank you very much.

We'll now move to Paul Samson, from CIDA.

Mr. Paul Samson (Acting Vice-President, Multilateral Programs Branch, Canadian International Development Agency): Thank you, Chair.

[*Translation*]

Thank you and welcome everybody.

[*English*]

As you know, CIDA's mission is to lead Canada's international efforts to help reduce poverty in developing countries. The Global Fund is aligned with Canada's international development commitments, including the Muskoka initiative for maternal, newborn, and child health.

Nearly nine million children under the age of five are dying every year, mostly from preventable and treatable conditions. In the developing world, the focus on child survival requires an equal focus on maternal health. A child whose mother has died is 10 times more likely to die within the first two years of her death.

[*Translation*]

To support child survival and maternal health, investing in prevention and treatment of HIV/AIDS, malaria and tuberculosis is key.

In 2009, there were 1.8 million AIDS-related deaths, including an estimated 260,000 children and youth. HIV slows economic activity, causes severe financial strain on affected households, and places the physical and emotional well-being of orphaned children at risk.

Malaria is one of the leading killers of children worldwide, with 90% of all malaria deaths occurring among children.

TB is a disease of poverty that negatively impacts economic growth, affecting mostly adults in their most productive years. A person with TB loses on average 20 to 30% of annual household income due to illness.

[*English*]

The Global Fund to Fight AIDS, Tuberculosis and Malaria was created in 2002 to dramatically increase the resources to fight these three devastating diseases. In nine years, the Global Fund has become an important financing mechanism, dramatically increasing resources for the three diseases, with the support of numerous donors.

With a grant portfolio of over $30 billion, the Global Fund directs approximately 62% of its resources toward HIV and AIDS, 22% toward the prevention and treatment of malaria, and 16% toward tuberculosis programming.

The fund is a major source of resources to country-level health authorities, resulting in significant increases in availability and utilization of services and a reduction in disease burden. Since 2004 the Global Fund is estimated to have averted 7.7 million deaths. These are important results.

I have another couple of examples. Programs financed by the Global Fund provided AIDS treatment for over 3.2 million people and helped one million HIV-positive pregnant women with treatment, to prevent mother-to-child transmission.

Since 2004 the Global Fund has financed the provision of tuberculosis treatment for roughly 8.2 million people. For malaria, the Global Fund has distributed a reported 190 million bed nets for the prevention of malaria and has provided 210 million treatments against malaria.

Global Fund investments have additional impacts on the wider health system, such as improvements in infrastructure, laboratories, human resource capacity, monitoring, and evaluation activities. These enhancements bolster the sustainability of disease treatment and prevention activities across the health systems of the recipient countries.

[*Translation*]

Canada was a founding donor to the Global Fund, including convening the first donor meeting, and has supported the Fund since its inception. To date, Canada has committed more than $1.5 billion and dispersed $968.4 million to the Global Fund. Canada currently ranks as the sixth largest donor accounting for over 4% of total funding.

In September 2010, the Prime Minister announced a new pledge of $540 million to the Global Fund for the 2011—13 period. This is Canada‘s largest contribution to a single global health initiative.

To monitor Canada‘s investment in the Global Fund, Canada is an active member of the Global Fund‘s Board of Directors, through the Canada-Germany-Switzerland constituency, and represents the constituency on a key Global Fund committee. Canada is working with partner countries to improve the efficiency and effectiveness of the Global Fund‘s processes and management.

In fall 2010, the Global Fund Management presented to the Board its Reform Agenda for improvements to the operational structures of the Global Fund. In December 2010, the Executive Board also took on a reform process of analysis and consultations to identify short and long-term reforms needed by the Global Fund. This continued the reform agenda, but added further recommendations for reforms that span almost all aspects of the Global Fund. Key areas for immediate action were identified with specific recommendations for action, timelines, and indicators to measure progress. Reform within the Global Fund is important to address lessons learned from the first nine years of existence, and most essentially to insure zero-tolerance towards corruption and fraud.

● (0905)

[*English*]

The Global Fund has an Office of the Inspector General, which has reported on funds unaccounted for due to corruption, insufficient documentation, and extra-budgetary expenditures. The reports from the Office of the Inspector General were made public to media outlets in accordance with the fund's practice of open transparency. A high-level independent review panel was convened in February 2011 by the Global Fund board to review fiduciary controls and oversight mechanisms of the Global Fund in light of the alleged fraud and misuse of funds.

The high-level panel report, entitled “Turning the Page from Emergency to Sustainability”, notes the important achievements and unprecedented results of the Global Fund and concludes that failure of the fund would result in a “global health catastrophe”. The panel underlined that the Global Fund was born out of an emergency response to three diseases, but that as the global response changes, the time is ripe for consideration of how the model operates and how to ensure its sustainability.

A comprehensive list of recommendations is included in the report to improve procedures, institutional responsibilities, and practices. Key recommendations include improving risk oversight at all levels, empowering fund portfolio managers, and better utilizing local partners.

A special board meeting was convened on September 26 this year in Geneva to discuss the high-level panel report and decide on next steps. At the board meeting, the panel presented its key recommendations while reaffirming the report's conclusion:

> We are confident that the implementation of our recommendations, together with actions taken already by management and the Board, will protect the Global Fund's resources, provide assurance to donors of the viability and effectiveness of the organization, and position it to sustain its important role in a rapidly evolving international economic environment.

The panel noted that it “has not identified a problem that cannot be fixed”.

The board decided to take forward the recommendations of the high-level panel by developing, with the secretariat and the Office of the Inspector General, a time-bound consolidated transformation plan. The Global Fund board has agreed upon a comprehensive reform agenda, which includes the transformation plan and action points recommended by the high-level panel. The Global Fund executive director has committed to leading the implementation of the plan, with improved collaboration and continued audits and investigation from the Office of the Inspector General. The Global Fund will also recruit a chief risk officer to work with the executive director in the design and oversight of internal risk management actions.

Finally, concerning CIDA's way forward with the Global Fund, a high-performing Global Fund with zero tolerance for fraud and corruption is essential to achieving the objectives of the Muskoka initiative on maternal, newborn, and child health. With the goal of maximizing the Global Fund's impact on the three diseases, CIDA is focusing on three key strategic areas for engagement with the Global Fund: improving the alignment with country-led policies and processes, improving the efficiency and effectiveness of the fund's operations, and simplifying granting mechanisms and procedures.

Thank you very much.

● (0910)

The Chair: Thank you.

We're going to start with our first round with Madam Sims.

You have seven minutes.

Ms. Jinny Jogindera Sims (Newton—North Delta, NDP): Thank you very much.

Chair, are we going to have enough time to do two rounds of questions?

The Chair: Yes, most definitely we will.

Ms. Jinny Jogindera Sims: Thank you.

First of all, I want to thank both of you for the very informative presentation. We all know that the link among AIDS, tuberculosis, and malaria is there. I attended a health care forum recently at which they talked to us about the essential need to connect treatment for tuberculosis with HIV treatments and diagnostics as well. That becomes really critical.

I noticed in the report you have just made that Canada has committed $1.5 billion to the Global Fund, but we have disbursed $978.4 million. Is there a timeline to our disbursements? Could you expand on that for me, please, Paul?

Mr. Paul Samson: Thank you for the question.

As I mentioned, the Prime Minister made a commitment last year, a pledge for $540 million over three years for the Global Fund, and we're on track to meet that pledge.

Ms. Jinny Jogindera Sims: Okay. Thank you very much.

Given the work you're doing and the need out there in the greater world, has the fund had enough money to fund all of the good proposals that have come to it to date? If not, what kind of global commitment would be needed to fund such proposals? We can all recognize the need for them, but you are the people who know all of this information, so tell us.

Dr. Christoph Benn: Thank you.

For the first eight years, I would say, the Global Fund indeed had sufficient resources to fund all the proposals that were presented to it.

I have to say one word on that. We have an independent technical review panel. This means that all of the proposals we receive from countries are independently reviewed not by the Global Fund secretariat itself, but by international experts, and they normally recommend for funding about 50% of the proposals coming from the countries.

We have been able, so far, to fund these kinds of recommended proposals, but obviously the current global economic and financial crisis is also affecting the Global Fund significantly. At the moment, it is difficult to fund those proposals and, given the way it looks, it may become even more difficult in the next few years. We have to realize, of course, that it's also the poorest countries that are suffering from this crisis, and it's the poorest people in those countries who are affected by tuberculosis, AIDS, and malaria.

Therefore, we are trying to communicate to our donors and to the world that it's very important to maintain this commitment, even while we understand the budgetary pressures in many donor countries. It's important to maintain this commitment because the very impressive progress I've just described is obviously also fragile. We need to maintain that, not for only the millions of people on treatment, but because even the impressive progress on malaria could be reversed if we can't maintain that support to the countries.

Ms. Jinny Jogindera Sims: I appreciate that information. We know that Canada has increased its commitment, but what we're hearing from NGOs is that there is need for more and for a longer-term commitment. From your perspective, what might this long-term commitment look like? Please feel free to be very specific, because that really helps us.

Dr. Christoph Benn: Thank you for inviting me to be very specific.

There are two elements. There is the level of resources made available by donor countries such as Canada, and then there's predictability. Both are very important.

It's the long-term predictable funding that we need. There are a few countries—such as, for example, the United Kingdom—in a position to make commitments beyond a three-year period. We also have an instrument that is called a multi-year contribution agreement, and we would be very interested in engaging with Canada in long-term predictable funding, which would be very helpful for these programs. Obviously we are appealing to countries that have the means to even increase their contribution if possible, so that we can continue to fund all of the high-quality programs that are submitted to the Global Fund.

Thank you.

● (0915)

Ms. Jinny Jogindera Sims: I have a very quick question specifically for CIDA.

As you know, in Canada we've kept up our commitment, b there is also a kind of a freezing, and no increases, and yet we have a long-term commitment to reach 0.7% of our GDP. So if this government were interested in actually reaching this goal, should it not immediately end the freeze and start increasing ODA?

Mr. Paul Samson: That's quite a general question that goes beyond certainly the scope of the Global Fund to Fight AIDS, Tuberculous and Malaria. I think we'll just have to wait and see where the budget process takes that question.

Ms. Jinny Jogindera Sims: Just to add something, when we've been talking to different agencies—and I've had a few meetings with them at different venues—one of the things we are hearing is that the freeze on the CIDA funding is beginning to have a real impact on the work they're able to do. That is creating concern, especially when we know that the U.K. at this time has made that commitment and has reached the target.

Thank you.

The Chair: Thank you very much.

We're going to move to the government side, with Ms. Brown.

Ms. Lois Brown (Newmarket—Aurora, CPC): Thank you very much, Mr. Chair.

Thank you very much for being here today. I think this is a discussion that Canadians need to hear, and I think Canadians will be very proud, quite frankly, to hear about the good work we've done. Contrary to what my colleague has said, Canada has doubled its aid to Africa, and we have been very generous in our contributions in Haiti and Afghanistan. Many of these countries are seeing some real changes because of the contributions Canada is making.

Dr. Benn, this is one of the things I would like to hear about, if I may. It's one thing to contribute to the Global Fund and to continue to give medications to individuals, but unless we see some changes in capacity building in these countries, we are going to be in this constant revolving door of having to make contributions. I'm sure the demand is always going to be greater than the supply.

I've been to Bangladesh and have seen some of the things they're doing there in creating community health services. I was just recently in Ethiopia and saw some of the CIDA work going on there. I wonder if you could speak to some of those issues about how we move these countries from just providing...? It's wonderful what we're doing in getting medication to 3.1 million people. That's an enormous job. How do we move beyond that and how do we help build capacity so there is a long-term goal that we're reaching?

Dr. Christoph Benn: Thank you. That's an excellent question.

I also visited Ethiopia earlier this year. Ethiopia is actually the country that has received the highest amount of funding. It's a very large country in Africa, a very poor country, with one of the lowest per capita incomes in the world and with a very high disease burden. Therefore, we allocated big grants to Ethiopia; it has indeed gone significantly beyond the strict funding to the three diseases. It has, with our funding, significantly improved its health systems, particularly at the community level.

Maybe you have seen some of these health outreach workers and the kinds of rural health posts that the Government of Ethiopia has also helped to establish with funding from the Global Fund. These health extension workers hand out malaria drugs and do HIV testing and counselling, but they're also available for other diseases. So it's not strictly limited to the three diseases; it is really strengthening the health system in Ethiopia from the bottom up, and I think that's an excellent example.

Overall we can say that about one-third of our resources go into health system strengthening. It's not just drugs and bed nets. Really, training, health facilities, and management of health programs are supported with this funding. You're absolutely right when you say that it has to go hand in hand, because we need sustainable health systems in these countries, particularly in the low-income countries.

Bangladesh, by the way, would be another interesting example. TB is a huge problem in Bangladesh, where we have been investing. Fortunately, there are also countries that are now graduating into middle-income country status. That reduces the dependency in the medium term on an institution like the Global Fund, which I think will be helpful. Therefore, we need to focus on the poorest countries with the poorest health systems and strengthen them so that we can see long-term results.

● (0920)

Ms. Lois Brown: I was in Botswana two years ago. I know that Botswana, as a middle-income country that is developing very rapidly, has as part of its health care system a whole department dedicated to HIV/AIDS. They are making some tremendous progress on how they deal with that disease. Can you comment on how a country like Botswana is handling it and on what steps they've put in place?

Dr. Christoph Benn: I've visited Botswana several times. It used to be the country with the highest HIV prevalence in the world. Ten years ago, Botswana had almost 40% prevalence of HIV in the adult population. We supported some of their early programs, which provided universal access to prevention and treatment on HIV, and now the prevalence rate is down to 22% or something.

It's still high, but it's almost half of what it used to be, and Botswana does not receive any more funding from the Global Fund for that because they say they can cover that themselves; they have diamonds and gold and so on. I think that's an excellent example. The Global Fund was absolutely essential to help them establish these programs. The rates of HIV have gone down and now the government is in a position to maintain those programs by themselves.

Ms. Lois Brown: Of course, the impact is that you have young people who are now being educated, and you have parents who have sustainable incomes because they are managing the illness. I think it's a great story that Canada has been part of this; Canadians need to know that we have done some good work there.

Thank you.

The Chair: Thank you very much.

We're going to move now to Mr. Eyking.

Go ahead, sir.

Hon. Mark Eyking (Sydney—Victoria, Lib.): Thank you, Chair.

Thank you for coming, folks.

Svend, it's good to see you back at the foreign affairs committee. It has been a while.

Recently we had a meeting with the World Food Programme and heard a very similar presentation: their results are better, and their objectives, somewhat, were being met. But they had a concern—and I think you alluded to it—about what's going to happen in the upcoming years with this revolving door of money.

They also mentioned the European debt crisis and what's going to be projected in these budgets as the Europeans are going to have to tailor their budgets. The problem is that foreign aid might be some of the stuff that's cut back quite a bit. They are probably your biggest donors.

When you hit that so-called wall of financing, how are you people going to deal with it? The World Food Programme alluded to starting to draw on...they see an opportunity for developing countries, such as China, Brazil, and other countries, to step up to the plate. Are you people doing the same thing? Are you preparing for this so-called diminishing money coming out of Europe? Are you doing your homework with these other countries, the Arab countries and the oil-producing countries, which may have been your recipients once and now could be helping you more?

That's my first question: how are you dealing with that financial wall you're inevitably going to hit?

Dr. Christoph Benn: Thank you.

First, I have one comment on Europe. It's true that European donors are extremely important for the Global Fund. We are receiving about 50% of our resources from the member states of the European Union, and therefore we are very closely following the current discussion on the euro crisis. There was some good news last night, I understand, with some decisions there.

But fortunately, many of the main members of the European Union are maintaining or even increasing their ODA. The United Kingdom was mentioned. Germany is also slightly increasing its ODA. The Scandinavian countries are doing very well. It is the southern European countries that are our biggest worry, and they belong to our major donors like Spain and Italy.... So there is some worry there, although I would say that so far we have been able to maintain a very high commitment.

But you're absolutely right; because of that, we are focusing quite significantly on the emerging economies, the G-20. Exactly as you said, the benefit is that many of them also have experienced support from the Global Fund. China, India, and Brazil have received money from the Global Fund and are now turning into donors. The first country to do so was Russia, which has now become a net donor after receiving some funding for their initial HIV and TB programs.

We are receiving some money from China and some from India. That needs to continue, and that needs to grow, because there is not yet this kind of culture, I would say, of international solidarity, of development aid. That's maybe one thing on which I would also ask for your support. I think a country like Canada can be very helpful as a member of the G-8 and the G-20 in talking to these new emerging economies and making the appeal to them that in the future they will probably have to play a more substantial role here in helping poorer countries that have not yet reached the kind of income level and economic growth that they have. That could be quite helpful.

We are working quite a lot on this and see it as a future way of helping us to finance the programs in the poorest countries.

● (0925)

Hon. Mark Eyking: Not only do some of these countries have some funds that could be available to you, I think they're probably more cautious of going with these multilateral organizations too.

Dr. Christoph Benn: That's right.

Hon. Mark Eyking: They sometimes feel that they should go on their own to have their own stamp on it and then get more credit for it—that's debatable.

I'd like to ask a couple of questions on these hot spots, because your numbers look good when you look at the overall and how you're reducing some of these diseases. But there are still major hot spots that are either increasing or still very vulnerable. In South Africa, for instance, HIV is still.... I don't know if that is diminishing. Can you give me some numbers on that or on TB in the Congo area ?

Talk about those hot spots. How bad is it in these hot spots? Do you have any way of getting in there and doing a better job? What are our challenges and how should we try to overcome them?

Dr. Christoph Benn: South Africa, yes, is one of the countries that, like Botswana, had some of the highest HIV prevalences in the world. That's also going down, particularly among young people. There are statistics showing that infection rates are going down among young men and women. They used to be at 25% and they're now at 18%, so that's encouraging.

But they have hundreds of thousands of people already on treatment, and there are more to come who will need treatment. Again, most of that is now paid by the South African government itself. We are supporting them, but they have increasingly now made domestic resources available for that. South Africa, I would say, is generally on the right track.

But you were asking me where the biggest challenges are. I would say they are in some of the most populous countries, like the Democratic Republic of Congo and Nigeria, not just because of the poverty level but also because of the political situation, the instability, and the difficulty of reaching the people with the services.

In DRC Congo, there is hardly any health system. Ethiopia is equally poor, but Ethiopia has a kind of structured health system. Congo hardly has a structured health system, and that makes it very difficult for us to work there.

Similarly, in Nigeria if we are talking about the elimination of malaria, Nigeria will be one of the key countries. As to whether we can do it there, again, that's mainly because of the lack of the infrastructure and a functioning kind of government system.

We are working a lot with NGOs. That is also a very important point for the Global Fund. We work a lot with civil society and also with the private sector. In many of our countries, they help us implement these programs particularly where the governments are weak. That does help.

But I think the biggest challenge is where the structures are just so weak that it is difficult to reach the people sufficiently.

● (0930)

Hon. Mark Eyking: Is it also difficult to have your workers in there? Is that a problem also?

Dr. Christoph Benn: You know, first of all, the Global Fund does not have any staff in these countries. That's one of the principles. We are a very lean organization. We are supposed to have just one headquarters, and we have no country staff. We are supporting national organizations, be it government or be it NGO. Having no staff there is not so much the problem, because we are basically empowering the national organizations to implement those programs.

The Chair: Thank you. That's it.

Thank you, Mr. Eyking.

We are going to start our second round of five minutes, and I will move to Mr. Dechert.

Mr. Bob Dechert (Mississauga—Erindale, CPC): Thank you, Mr. Chair.

Thank you, gentlemen, for being here today.

Thanks to CIDA and Global Fund for all the tremendous work that you are doing to help people around the world with these diseases. I'm very encouraged to hear of the positive developments in the prevention and treatment of these diseases. On my own behalf and on behalf of the people I represent, I thank you for doing that good work.

I'd like to ask Mr. Samson some questions regarding Canada's role in the Global Fund. You mentioned that Canada is currently the sixth largest donor to the Global Fund. Can you tell me how that compares to the percentage size of Canada's economy in terms of the global economy?

Mr. Paul Samson: Canada's contribution equals four per cent of the total funds provided, which is a number that is pretty standard for what we're providing to various big organizations. It's considered Canada's fair share, if you will.

Mr. Bob Dechert: Where does Canada's economy rank in the listing of world economies?

Mr. Paul Samson: Well, it depends a little bit on how you define it with some of the emerging economies, but we're usually somewhere between eighth and tenth place, depending on how you measure it. We're a member of the G-8, and we're one of the largest economies, so we are right where we would be in terms of our share of four per cent.

Mr. Bob Dechert: Okay.

You mentioned that of the $1.5 billion committed, Canada has disbursed approximately $979 million so far. How does that compare with the disbursement of the other donor countries? Do you have that information?

Mr. Paul Samson: Well, one of the things about the Global Fund is that it is a very transparent process. When you go to their website, there is a very detailed document about who has pledged what and about tracking those commitments. Canada can safely be very proud about meeting its pledges. When we pledge something, we meet it. We have a perfect track record in that respect.

Mr. Bob Dechert: Perhaps Dr. Benn could provide us some information on that. How does Canada's performance compare to others in terms of actually providing the funding?

Dr. Christoph Benn: As Paul said, it is very good. Canada has contributed their pledged amount every year. Again, that is an important point, because until the year 2009 we had an excellent track record with all our donor countries. Usually we achieve more than 100% of pledges being converted into contributions.

Unfortunately, that has changed because of the economic environment. A number of countries now say they are simply not in a position to honour their pledges, and that is a very serious situation for the Global Fund, which goes back to this kind of predictability. It's not just the amount; it's also the predictability. If a donor like Spain, for example, suddenly announces that they can't meet their obligations, that's a big gap.

We really appreciate Canada's support, and Canada has been a very faithful donor in meeting their obligations, but the challenge is that the number of countries we can really count on is becoming smaller.

Mr. Bob Dechert: Understood.

Mr. Samson, you mentioned that as of September 2010, Canada has announced a further pledge of $540 million for the 2011-13 period, and you said that this is Canada's largest contribution to a single global health initiative. Is that the largest contribution in Canada's history?

Mr. Paul Samson: That's correct. That's Canada's largest.

Mr. Bob Dechert: That's interesting.

Now, Dr. Benn, I was very encouraged to hear you say that there is potential for a new vaccine to treat or prevent malaria. Can you tell us a little more about that vaccine?

Dr. Christoph Benn: Sure. As you know, finding a vaccine against malaria has been one of the big public health goals for decades. There has never been a successful and effective vaccine against malaria, but trial results came out that showed a 50% protection. That's good. That's not ideal, because for a vaccine you normally want a 90% effectiveness, but for the first time, it shows there's promise.

If they can improve that further, in four or five years we might have a really effective vaccine on the market. Obviously the Global Fund would be happy to support it and make it available to the countries, because that could be the final tool that we need, in combination with treatment and prevention activities, that would really enable us to eliminate malaria on a sustainable basis. That would a huge success—an historic success, really.

● (0935)

Mr. Bob Dechert: That sounds quite exciting.

So it's not ready yet, but you hope it will be soon. Do you have any idea of what the cost would be to the fund if it were to start vaccinating people in those target countries?

Dr. Christoph Benn: It's a little early to say that, of course, because we are a couple of years away from the real marketing, but the company already has announced that once it is ready, they would basically provide it at production cost. So they wouldn't make any profit from that vaccine. I hope that would mean that we could purchase a dose of vaccine for, let's say, around five dollars maybe, something that would probably be one of the best investments in international public health.

The Chair: Thank you, Mr. Dechert.

We're going to move over to Madam Laverdière.

Ms. Hélène Laverdière (Laurier—Sainte-Marie, NDP): Thank you very much.

Thanks to all of you, both for your presentation and for the excellent work that Global Fund and CIDA do.

You mentioned countries like Botswana that are taking treatment and prevention of these diseases into their own hands. I wonder if you could elaborate a bit on the need of these countries for affordable drugs to combat those diseases.

Dr. Christoph Benn: Affordable drugs are absolutely critical for all three diseases. The good news here is also that the prices for these drugs have come down dramatically. When the Global Fund was created 10 years ago, it was not only that we able to mobilize billions of dollars but also that the prices for drugs at that time were about $10,000 per patient per year. It was absolutely unaffordable with whatever kind of resources you would get.

Nowadays, we pay between $100 and $200 per patient per year for a complete treatment for AIDS, so that's a huge drop in the price. Similarly, the price of malaria drugs, the artemisinin-based combination therapy, has come down now to less than one dollar for the complete treatment that can cure malaria. For tuberculosis, the whole six-month drug treatment costs around $50.

These drugs have become much more affordable. This means that an upper-middle-income country like Botswana can now afford these themselves. But we need to continue to support lower-income countries like Democratic Republic of Congo, Ethiopia, Haiti, or many others. Otherwise, they would not be able to provide these drugs to their people.

Ms. Hélène Laverdière: On the same subject, and specifically with regard to those lower-income countries, what role can Canada play to make getting access to these medicines easier? For example, there's Canada's access to medicines regime and programs like that. Could you expand on the subject?

Dr. Christoph Benn: I think Canada for many years has strongly supported the provision of generic drugs, which indeed have all the kinds of prices I just mentioned. These are, of course, generic drugs that we are able to purchase. Many of those are now being produced in emerging economies, particularly India, but also in a number of other countries. It is very important that we continue to be able to purchase these generic drugs at the lowest possible price. That's a question the World Trade Organization has had about the TRIPS agreement.

I think we need Canada's support in protecting those rules. I understand that Canada has been quite outspoken on that for a number of years, but it is indeed very important that we maintain the principle that, for these life-saving treatments, there should not be a profit margin. They should allow generic producers to enter the market and to compete, because competition between generic producers is really what has in the end brought prices down. Prices continue to go down a little bit also because of the economies of scale and improved technology in the production of the drugs. We need to preserve that. Only that will enable us, with the resources we have, to fund these successful programs.

● (0940)

Ms. Hélène Laverdière: Very quickly, I was wondering also if you've heard about Bill C-393, which is intended to improve our access to medicine within the TRIPS context and improve on the law we already have, which is an established mechanism that is not used very much.

Do you think it would be useful for Canada to become a more important player in this provision of generic drugs?

Dr. Christoph Benn: I've heard about the bill, although I must admit that I don't know much about the details.

Ms. Hélène Laverdière: Yes, I'm not expecting....

Dr. Christoph Benn: But I think, indeed, the point is, I believe, that the more you increase competition in the generic drug market, the better it is, normally, for the affordability of and access to the drugs. If Canada were to play a role in that and could thereby help lower the cost further, that would be very welcome.

Ms. Hélène Laverdière: Thank you.

The Chair: Thank you.

We'll go to Mrs. Grewal.

Mrs. Nina Grewal (Fleetwood—Port Kells, CPC): Thank you, Chair.

Thank you to the witnesses for taking your time to come here, especially Mr. Svend Robinson.

It's nice to see you.

I have a very short question. Mr. Benn, you mentioned that the Global Fund does not have an in-country staff presence. So how is technical assistance provided and implementation supported once a grant has been approved for a recipient country? Could you tell us about that, please?

Dr. Christoph Benn: That is an excellent question.

There are two ways in which technical assistance is made available—or even three. First is through partner organizations. It is very important that our partner organizations, such as the UN, the World Health Organization, the Stop TB Partnership, and others help the countries by providing technical assistance and capacity building, because that's their mandate. That is less our mandate.

I would also like to mention—which is why I am saying that there are three ways—that there is an important role for the bilateral partners, such as CIDA, in providing that kind of technical assistance and capacity building. CIDA is sitting on a number of our country coordinating mechanisms in countries, and they are helping, with their programs, to build capacity.

Third is the provision that countries can budget for technical assistance in the proposals they submit to the Global Fund. We say that up to 5% of what they are asking for can be used for technical assistance. Again, it's not all going into drugs and the direct provision of services. We recognize that the countries also need support in building their capacity. We ask them to include that in the proposal, and then it can be paid out of that grant.

Mrs. Nina Grewal: Could you also please tell us what the current gap is between the pledged commitments from donor governments and actual disbursements to the Global Fund?

Dr. Christoph Benn: I cannot give you a precise number because that is a very complex calculation, and we are monitoring that quarter by quarter, in a sense. As I said, we are trying to provide long-term support to these countries. In some cases, we commit for several years in advance, and that's where a lot of the money goes.

We have a policy that says we only sign an agreement with a country if we have the money available for two years in advance. But at the moment, because of the situation in a number of donor countries, we are indeed coming under increasing pressure, so for the next year I would foresee a shortfall in the order of a few hundred million dollars, at least.

We are going to have what we call a mid-term replenishment review. We have regular donor conferences. The last big conference was last year in New York, under the leadership of UN Secretary-General Ban Ki-moon, but we will also have a conference next year. There is one slide in my presentation on that. The UN General Assembly has already taken that up and has alluded to there being a new forecast, if you like, of resources coming up next year. Then we will be much more precise in this forecast of what is required so that we can maintain the programs.

● (0945)

Mrs. Nina Grewal: Chair, do I have more time?

How long does it take for the Global Fund to move from grant proposals to actual implementation on the ground?

Dr. Christoph Benn: There are several steps.

The country works on a proposal. They submit the proposal. It goes to the technical review panel I spoke about and then to the board for approval. Once the board approves, it goes to the secretariat, which enters into a contractual relationship with the country, with clear indicators of what is going to be achieved and how.

That process, from board approval to the actual signing so that the money can flow, takes 11 months, on average.

Mrs. Nina Grewal: Do I have 30 seconds?

The Chair: Yes.

Mrs. Nina Grewal: How does the Global Fund work to maximize the impact of its investments on national health systems and the health of women and children? Could you please tell us, in a nutshell?

Dr. Christoph Benn: Over the last couple of years, we have developed what we call a gender equality policy, which provides very clear guidelines to the country coordinating mechanisms, the country round tables that submit the proposals and discuss the strategy. We are requiring them to put the concerns of the health of women and girls very much at the top of their priorities so that they include it in their programming. That's the role the Global Fund can play: we can give guidance. In the end, the decisions are with the countries.

We believe very much in country ownership: the countries need to own these programs. But through this policy, we have emphasized very strongly that the health of women and girls, particularly with HIV—I think that's what we're talking about here—is extremely important, because all of the evidence shows that without that, the HIV prevention programs in particular will not be successful.

The Chair: Thank you.

I would like to know if it's all right with the committee.... I know we were going to go for an hour, but I sense that there are still a few more questions.

Is it okay with the witnesses to go another round?

We'll do one more round.

I'll begin with you, Ms. Brown and then we'll head over to the other side for the final question. How does that sound?

Ms. Lois Brown: Thank you very much, Mr. Chair.

My question is for our CIDA representatives. Canada's government has decided that we need to focus our aid. We have decided that we need to take on some thematic priorities.

Could you give us some insight into the thematic priorities we've chosen and how our participation in the Global Fund meets those priorities?

That's kind of an essay, isn't it? I'm sorry.

Voices: Oh, oh!

Mr. Paul Samson: Thanks very much, Parliamentary Secretary.

The three thematic priorities the government has defined for development assistance are: food security, sustainable economic growth, and children and youth. All three of those are relevant here.

First, on children and youth, for some of the reasons just mentioned, the maternal and child health relationships are fundamental to that priority. On the food security side, nutrition is an important part of that element connecting to health. Sustainable economic growth is fundamental to livelihoods in general. Without that, there's really nothing else. We see all of those as interwoven.

Clearly, the children and youth priority and the Muskoka initiative on maternal, newborn, and child health align very strongly with the Global Fund's objectives.

Ms. Lois Brown: So we've developed a very strong partnership there is what we're saying. The Global Fund is really the vehicle through which much of our aid money is being directed to achieve these three goals that we've looked at.

As I said before, I've spent some time in Africa. I've now been in eight different African countries and have visited some of our CIDA projects in each one of them. My observation is that with this money that we're putting into building capacity in particular, Canada is having some incredible effects on what's happening in these emerging countries.

Dr. Benn, going back to you, could you give us some insight into how you're working with the partners? You say you don't have any people on site who are working for the Global Fund, that you work with national partners. Is there some involvement from the private sector in that basket of organizations with which you work? Can you give us some feedback on how that works as well?

● (0950)

Dr. Christoph Benn: I'd be happy to.

First of all, yes, I emphasize that we don't have any country offices. However, I should mention one point. Obviously we have teams that are responsible for these countries, operating from Geneva but visiting these countries regularly, and it was one of the recommendations of the high-level panel that they should probably spend more time at the country level.

It's not that we should open offices, because that would increase the administrative burden, but that they should be more available there. That's one of the reform areas: that we focus more on these teams and allow them to spend more time visiting those countries and talking to the countries.

The private sector plays an increasingly important role in the implementation of these programs. They do that in many different ways. Providing resources is one thing, and we do mobilize resources from companies. They have also become more important in the implementation. They often have the capacity at the country level to implement programs, and they do that often very efficiently. In a number of countries now, the money goes to a private sector company for the implementation of a grant. That is very helpful, particularly in situations where the governments, as I said, are particularly weak.

Thirdly, maybe the most interesting one is what we call co-investment. We invite the private sector to support our programs with their capacity, with their expertise, and with their strength. The largest bank in Africa is providing free services for many of our implementers and is training them in financial management, helping them to manage currency exchange risks, and so on. That's worth several million dollars per year in services that they are providing.

We are working with Coca-Cola now on improving the supply chain management, the logistics. How do you get drugs and bed nets from the point of entry to the remote villages? No company knows that better than Coca-Cola. Again, they are not giving us money. They are giving us their expertise and training government officials how to do that.

We have recently quantified this kind of input by the private sector. It amounts to $80 million to $100 million per year in free services that they are providing. I think that's probably also a very good model for future development. We need what we call this public-private partnership, because it is only if we have these partners working together—the governments, donor agencies, civil society, and the private sector—that we will have a good chance to achieve the full success that we want to achieve, namely, to reach the millennium development goals and to really eliminate these diseases.

The Chair: Thank you very much.

We're going to move to Madam Groguhé for five minutes, please.

[*Translation*]

Mrs. Sadia Groguhé (Saint-Lambert, NDP): Thank you, Mr. Chair. I thank the witnesses for their very informative presentations.

I believe the fund contributes to very positive results in the prevention and reduction of the number of deaths.

In one of its reports, the fund establishes a link between the criminalization of homosexuality and the spread of HIV-AIDS. It also reports that two factors contribute to the increase of mortality rates among homosexuals: the criminalization of homosexuality and the fact that education on HIV-AIDS is not linked to education on sexual orientation.

Do you believe that Canada is doing enough internationally to encourage countries to decriminalize homosexuality? Should Canada insist on decriminalization as a condition of providing assistance?

● (0955)

[*English*]

Dr. Christoph Benn: Thank you.

First of all, you're absolutely right that the criminalization of men who have sex with men plays a big role in many countries and is a very important obstacle to effective prevention, to directing the resources to where they are really needed, namely, to reach these kinds of most-at-risk groups, to which men who have sex with men often belong, in many countries and societies around the world.

We have already addressed that in different ways. We have established what we call a particular fund for the most at-risk populations, so that countries can apply for particular programs that reach these most vulnerable groups and so they can also work on programs—for example, on decriminalization. They can apply for funding, because it's the kind of human rights framework in the country that often determines whether you can carry out effective prevention.

Looking into the future, the Global Fund, as mandated by its board, has been working on its new five-year strategy. That will be the strategy for 2012-16, and this strategy will be brought to the board next month at the meeting in Accra.

In that strategy, there's a particular section on human rights, and that is addressing exactly the points you have pointed out. The Global Fund is a financial instrument. We are there to support countries in prevention, care, and treatment activities, but this kind of promotion of human rights and the protection of people from human rights abuses is an important element of that. If this new strategy is approved by the board—in which Canada plays an important role—then I think it would help us to strengthen this aspect of our work for them.

Mr. Svend Robinson (Senior Advisor, Parliamentary Relations, Global Fund To Fight AIDS, Tuberculosis and Malaria): Mr. Chairman, perhaps I could add one point with respect to Canada's role in this. Recently, the Eminent Persons Group of the Commonwealth issued a report—in fact, Senator Hugh Segal from Canada is one of the 11 members of that Eminent Persons Group—in which they made precisely that point around the importance of decriminalizing in the context of the fight against HIV/AIDS.

I have to say that we're certainly very pleased to note that Foreign Minister Baird has explicitly stated that for Canada, at the meeting of the Commonwealth heads of government being held this week in Perth, Australia, both he and the Prime Minister will be specifically putting this item on the agenda, because 41 of the 54 Commonwealth countries actually still criminalize homosexuality. Canada, to its credit, has played a leading role in making sure that this will be one of the items that is put on the agenda of the Commonwealth heads of government meeting. We're very pleased to note that leadership.

[*Translation*]

Mrs. Sadia Groguhé: Earlier, you referred to fighting corruption to avoid any misappropriation of funds. Practically speaking, what do you plan to do to minimize corruption?

[*English*]

Dr. Christoph Benn: Thank you.

Yes, the Global Fund has always stated that we have absolutely zero tolerance for corruption, but at the same time we do know that we are investing our money in countries where there's a significant risk of corruption. That was exactly what this high-level panel report was about: to advise us on how we can best minimize this risk of corruption. You need some very clear control measures to kind of minimize that risk as much as possible.

We have already been using several levels. In every country where we invest, we employ so-called local fund agencies and our international auditing firms that are kind of a level of control at the country level, and then we have the Office of the Inspector General, that Mr. Samson talked about, that goes with teams of auditors and investigators into countries if we have any indication of fraud and corruption.

We have a whistle-blower policy. Anybody who detects any kind of irregularities can anonymously alert the inspector general to that. That's exactly the reason why we do detect a lot of cases of corruption at the country level. We then react immediately by suspending funding, by changing the principal recipients. We also have a number of judicial cases in a number of countries now, because we do not tolerate that kind of behaviour.

I think it is indeed a kind of common effort, I would say, among the Global Fund, the board, the bilateral agencies, and the multilateral agencies, to work together on the best possible mechanism to reduce this risk. We believe that one of the main and the best tools for that is indeed, transparency: make your disbursements very transparent, and where you detect irregularities, report about that, because that will also deter others from contemplating similar behaviour.

● (1000)

The Chair: Thank you.

A couple of people who want to ask additional questions have caught my eye.

Why don't we go to Mr. Goldring and then come back to Madam Ayala?

Mr. Goldring.

Mr. Peter Goldring (Edmonton East, CPC): Thank you very much.

Thank you for being here today.

First, I would make the comment that it's my understanding that the percentage of the GDP contributed to foreign aid is calculated differently in different countries. Of course, when we contribute to aid in various countries, there are other issues that have to be attended to that possibly could be construed as being part of the aid contribution.

One of the very important ones was, of course, security of aid workers and NGOs in various countries. We have been contributing aid on projects such as, for example, China on its judiciary, and we also have democracy development in various countries too. They are all forms of aid contributions.

So if we look at the overall basket of aid that Canada provides, I would suggest that the 0.7% is a very simplistic way to be looking at aid contributions.

Second, I would like to have clarity on the comments that were just made on the Global Fund as to what its mandate is. Understandably, there would have to be investigations into fraud allegations, and of course those would be the ones that you know about. There are also the ones that we don't know about that you have to be vigilant for, that you have to try to pull out.

I would like to know specifically if the Global Fund is strictly mandated to be looking at HIV/AIDS, tuberculosis, malaria—disease—and family issues, and not in the human rights aspect, because the human rights aspect as an aid designation has a very broad scope and involves a lot of complexities depending on the country. I'd like a little bit of clarity that it is focused on its mandate as detailed here in these sheets.

Dr. Christoph Benn: The mandate of the Global Fund is very clear. We were created to mobilize resources to help countries address AIDS, tuberculosis, and malaria. But we are mandated, and are actually asked to support health system strengthening, for example, as it relates to AIDS, tuberculosis, and malaria. We are not an agency that in general supports health systems; that would go beyond our mandate. But often, as much as you need to strengthen the systems to achieve the desired outcome on AIDS, tuberculosis, and malaria, yes, we support the health systems.

That's the same way we approach the human rights issue. We are not an agency that has human rights as a broad mandate. But if it relates very strongly to HIV prevention—for example, if you cannot reach some of the most affected populations because they are criminalized and have no access to these services—then it becomes part of our mandate.

It is often quite interesting that the governments that work with us and are interested in reaching those populations—because it's in the country's interest also to bring these diseases down—are quite happy to work with the Global Fund, often because we have means to work with civil society, with the vulnerable populations. For example, in these country coordinating mechanisms, every country has to have representation of people affected by the diseases.

● (1005)

Mr. Peter Goldring: When you produce a report such as this, would it not be an advantage to perhaps provide a more detailed breakdown for all of us to understand a little better...? So if you do have human rights issues that you are looking into, in conjunction with other issues, you'd have some sense and feeling of what percentage or proportion of your aid in a particular area it would be broken down into...?

Dr. Christoph Benn: Right.

We'll have to see whether we can provide that, Svend.

The percentage in terms of funding will be fairly small and we have to look into whether we have a breakdown on that. We obviously have much more comprehensive reports than what I presented here to you, which is our so-called results report, and we can easily make them available to you. There is quite a detailed breakdown on where our resources go in terms of diseases, programs, regions, and so on, including human rights.

Usually that is not a big investment in monetary terms. Often it is very important to provide the right kind of policy environment in the given country so that particularly the prevention programs can really reach the people who are most affected. But we're happy to provide you with more information on that.

The Chair: Thank you.

Thank you, Mr. Goldring.

We're going to finish up with Madam Ayala, please.

[*Translation*]

Ms. Paulina Ayala (Honoré-Mercier, NDP): Going back to the issue of corruption, you said that there are no public servants on the ground permanently but that there are some from time to time, which suggests a lack of democracy and a lack of transparency.

Among the steps required to make sure that the money provided is really used to meet the needs of people at risk, why are there no permanent public servants on the ground to ensure that the resources are properly used? Otherwise, it is all wasted money.

Why has this not been decided? Is it a matter of security? What is the reason?

You are too far removed from the reality and are perhaps somewhat disconnected from what happens locally. I understand that you said you visit those countries from time to time but I believe that there should be stricter control.

[*English*]

Dr. Christoph Benn: We actually have pretty close control assistance, but when the Global Fund was created, it was decided that these kinds of control systems would be outsourced. While we don't have an office in these countries, we employ what I describe as the local fund agents. These are people on the ground. These are auditing firms.

We have a kind of global tender for their services. We pay these companies, which are the well-known companies that many in the private sector—and others—would be using. They have a very close eye on what is going on at the country level. When we receive reports from the countries on the progress on the results, not only will we visit occasionally, we will always ask these auditing firms to verify the report. They are based in the country, so that is the first level of control.

I certainly hope you don't get the impression that we have no levels of controls because we have no offices in these countries. But in order to keep the administrative costs as low as possible so the money can go into programs, we have outsourced these services to the private sector to help us with this kind of oversight.

[*Translation*]

Ms. Paulina Ayala: You say it is a matter of costs, but isn't the cost of corruption higher? That is the point of my question.

We all know that there is corruption. Is corruption more costly than having people on the ground to control how the money coming from Canada is used?

[*English*]

Dr. Christoph Benn: Again, I would say we have those people on the ground; it's only that we pay them for their services rather than being staff members.

Secondly, yes, corruption has a high cost as well. We have detected many of these cases of corruption, and not only are we responding to that, we are also claiming the money back. We are able to detect corruption where it exists. In those cases, we are asking the recipients, mostly the governments, to repay the money so the money is not lost but can be reinvested in successful programs.

We are indeed doing a lot of due diligence to make sure the money is not lost. That would cost lives, basically. The money is reinvested in really successful programs.

● (1010)

[*Translation*]

Ms. Paulina Ayala: So, the money is reinvested?

[*English*]

Dr. Christoph Benn: Yes.

The Chair: Thank you very much.

I have a few concluding comments.

Ms. Brown talked about being in Ethiopia. I had a chance to travel with an organization called RESULTS and to see what was going on there. I was very impressed to see what our Canadian dollars are doing, but also to see that they were also using local service providers, like the rural health posts. I was very impressed. I have to say that before I went I was probably a little more skeptical of what was going on there, but not after coming back.

It was incredible to see the kind of work that Canada is doing with in conjunction with your organizations and in conjunction with what's happening on the ground. I think it's encouraging, because that's what we all want to see. We want to see our dollars leveraged properly, transparently, and all those kinds of things. I congratulate you for doing a good job of that.

To our witnesses, thank you very much for your time.

I'm going to suspend the meeting for about five minutes and then we're going to go in camera to talk about business, which means we'll have to clear the room a little bit as well.

Thank you very much.

[*Proceedings continue in camera*]

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