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Chair

Mr. Dean Allison

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• (1100)

[English]

The Chair (Mr. Dean Allison (Niagara West—Glanbrook, CPC)): Pursuant to Standing Order 108(2) we are studying the subject matter of clauses 174 to 199, the Department of Foreign Affairs, Trade and Development Act, of Bill C-60, an act to implement certain provisions of the budget tabled in Parliament on March 21, 2013 and other measures.

I want to welcome our guests here today. From the Department of Foreign Affairs and International Trade, we have Nadir Patel, who has been with us before. It's good to see you again, sir. He is the assistant deputy minister and chief financial officer for corporate planning, finance, and human resources.

Joining him from the Department of Foreign Affairs is Michael Small, the assistant deputy minister of the transition team. Welcome to you, sir, as well.

From the Canadian International Development Agency we have Vincent Rigby, who is the vice-president of strategic policy and performance branch. Welcome to you, sir, as well.

We're going to start with you, Mr. Patel, then we'll move over to Mr. Rigby, and we'll go from there. You have 10 minutes and we turn the floor over to you.

Mr. Nadir Patel (Assistant Deputy Minister and Chief Financial Officer, Corporate Planning, Finance and Human Resources, Department of Foreign Affairs and International Trade): Thank you very much, Mr. Chair and honourable members.

We have a brief statement and then we'll be happy to take your questions.

On March 21, as part of Canada's economic action plan 2013, the government announced that it would amalgamate the Canadian International Development Agency and the Department of Foreign Affairs and International Trade to create a new department that will deliver enhanced alignment of our foreign, development, trade, and commercial policies and programs. Along with my colleagues from DFAIT and CIDA, I'm pleased to be here with you this morning to study this proposed legislation which, upon receiving royal assent, would create the new Department of Foreign Affairs, International Trade and Development.

It's important to note that this legislation is only the first step in the amalgamation process started by budget 2013. While the legislation makes its way through both chambers, planning is under way on how best to bring together the corporate functions of the two

departments without any interruption to business continuity. Indeed, officials from both DFAIT and CIDA are working diligently to ensure that all the required legal, administrative, and financial requirements for the new department are in place in accordance with Treasury Board regulations, when Bill C-60 receives royal assent. While this will not be an overnight process by any means, we will be prepared to hit the ground running.

As outlined in budget 2013, international development, poverty alleviation, and humanitarian assistance will remain central to Canada's foreign policy. Indeed, they will be a core function of the new department and will result in greater overall impact of our efforts.

Poverty alleviation through development assistance and the provision of humanitarian assistance in times of crises are a tangible expression of Canadian values, which the government will continue to advance on the world stage. As we move forward, both the Minister of Foreign Affairs and the Minister of International Cooperation, as is now the case, will play a key role in providing oversight and direction in the planning for and implementation of the new department, with the deputy ministers overseeing the day-to-day aspects of the amalgamation.

To help give shape to the new organization and to ensure this process unfolds as seamlessly and effectively as possible, a dedicated transition team will be put in place to work closely with and provide key guidance to all involved. We hope to have more to say on that in due course.

I will conclude my remarks, though, by indicating that while it will take some months to organize the core functions of the new department and maximize policy coherence and synergies, I can assure members of the committee that we remain committed to ensuring that this process is as seamless as possible, both for employees, and for our operations at home and abroad. Indeed, lessons learned and best practices from previous amalgamations of Canadian departments and from the experience of other countries are being considered. External stakeholders and staff will be consulted along the way. Throughout the transition, we will continue to take advantage of any opportunities to increase the effectiveness and efficiency of programs and operations.

Mr. Chair, I will now turn the floor to my colleague, Vincent Rigby, whom you've introduced as the vice-president of strategic policy and performance at the Canadian International Development Agency, to speak in more detail about the proposed legislation's impact on CIDA.

Mr. Rigby.

• (1105)

Mr. Vincent Rigby (Vice-President, Strategic Policy and Performance Branch, Canadian International Development Agency): Thank you, Nadir.

Good morning, committee members.

I'd like to highlight a few aspects of the proposed legislation that are specific to CIDA and the role of development and humanitarian assistance in the new department. First, under the proposed legislation, Canada's assistance will remain focused on poverty alleviation and on humanitarian assistance. These efforts are a reflection of Canada's values and our commitment to making a difference in the world. Canada will continue to play a leadership role in helping those most in need.

Second, under the new legislation, the roles and responsibilities of the minister for international development with regard to development and humanitarian assistance will be enshrined in law for the very first time, putting development on an equal footing with trade and diplomacy. The bill states that the minister for international development "is" to be appointed, whereas the current act states only that a minister "may" be appointed. There will also be a deputy minister for international development. The persons holding the office of minister of International Cooperation and president of CIDA on the date of royal assent will assume the positions of minister for international development and deputy minister for international development in the new department.

According to the proposed legislation, the minister for international development will be responsible for fostering sustainable international development and poverty reduction in developing countries and for providing humanitarian assistance during crises by, first, undertaking activities related to international development and humanitarian assistance; second, ensuring the effectiveness of Canada's international development and humanitarian assistance activities; third, fostering relations with other countries and organizations engaged in international development or humanitarian activities; and finally, ensuring Canada's contributions to international development and humanitarian assistance are in line with Canadian values and with Canadian priorities.

[Translation]

I would also like to draw your attention to a couple of the transitional provisions in the proposed legislation. Staff employed by CIDA on the date of royal assent will automatically become employees of the new department.

In addition, the duties and functions of the current Minister of International Cooperation, and of the president and employees of CIDA will transfer with them when they join the new department. That will help ensure continuity and a smooth transition to a unified department.

Thank you.

[English]

We're very happy to take your questions.

Thank you.

The Chair: Thank you, Mr. Rigby and Mr. Patel.

We're going to turn it over to the NDP and Madame Laverdière to start.

You have seven minutes.

[Translation]

Ms. Hélène Laverdière (Laurier—Sainte-Marie, NDP): Thank you, Mr. Chair. I want to thank you for the opportunity to speak to our guests this morning. However, I consider the current process to be illegitimate, even though we have agreed to participate in it. I don't think that such an important piece of legislation should be included in an omnibus bill. I feel that a change of this magnitude should be studied in detail by our committee. We should also hold all the necessary consultations.

[English]

Speaking of consultations, Mr. Chair, I'm a bit aghast that the CCIC, the Canadian Council for International Co-operation, which is the biggest umbrella organization in Canada, will not be heard in this committee. We had suggested inviting them as witnesses to this committee, and I understand they have asked to be heard by this committee. If the process were not enough of a problem, situations like this would already be a big problem.

By the way, we have also asked in particular that Minister Fantino come to this committee. It's very important. We've also asked in the past that Minister Fantino come to talk about the budget and the budget implementation bill. We have not seen Minister Fantino for quite a while in this committee, and I think it would be important and responsible for him to come here to talk to us.

This being said, my apologies to the witnesses.

[Translation]

I felt that these issues needed to be raised.

Thank you for your presentations. I could ask you questions for hours, but I will just ask you a quick one. It's for all of you.

When were you told about the amalgamation of DFAIT and CIDA?

• (1110)

[English]

Mr. Nadir Patel: Mr. Chair, what I can say is that I was informed that this was in the works as a possible item for the budget a few days before. The exact number of days I can't say, but just a couple of days before. The only reason for that is some early planning in terms of—when I say early, a couple of days is about as early as we could get under the circumstances, given budget secrecy. But that would have been the earliest.

Then of course the actual announcement being confirmed and details being made available to the extent that they were available happened on budget day itself.

Mr. Vincent Rigby: For myself, I was informed on the day of the budget. Again, as Nadir points out, with budget secrecy being what it is, that's to be expected.

Also, keep in mind I was out of the country at the time. I was in Senegal on business.

[*Translation*]

Ms. Hélène Laverdière: You were in Senegal?

Mr. Vincent Rigby: Yes.

Ms. Hélène Laverdière: *Nanga def?*

A voice: Oh, oh!

[*English*]

Mr. Michael Small (Assistant Deputy Minister, Transition Team, Department of Foreign Affairs and International Trade): I was overseas at the time and read about it in the budget announcement. At that point I sent a private message to the deputy ministers indicating that I had some advice and some experience that was relevant to the project, which is why I'm in front of you today.

[*Translation*]

Ms. Hélène Laverdière: Thank you very much.

To your knowledge, what kind of consultations were held before the amalgamation was announced? What kind of consultations do you think will be held over the course of the coming weeks and months?

My question is for all three witnesses.

[*English*]

Mr. Nadir Patel: On the first part of that question, it's not a question I can answer, because I don't know. As I said, there's budget secrecy, and the budget was being developed under the Department of Finance, so in terms of any level of consultation it's not something I can comment on in advance of the budget announcement.

Once the announcement was made, in the context of the budget itself, what we did was simply announce to employees what it was that we knew at the time. There was a meeting with employees that took place—I believe it was budget day or the day after, a couple of days after, whatever it was—just to announce what it was we could say based on what we knew, and that was essentially following the budget.

Mr. Vincent Rigby: I'd be in the same position, Mr. Chair, so not really in a position to speak to the consultations ahead of the actual budget announcement.

As with Nadir, I can say that right after the budget announcement there was widespread communication within the agency. There was actually a town hall early the next week, and then we were invited to a town hall over at Foreign Affairs as well, to basically have the deputy ministers of both organizations talk to the amalgamation, and some of the early steps in terms of the way ahead.

Mr. Michael Small: What I can speak to is that the experience of other countries is highly relevant, so I took part in a visit to four

other European donor countries, along with the two deputy ministers, the president of CIDA, and the deputy minister of Foreign Affairs, and had some fairly frank and candid conversations with them on their experience of amalgamating development assistance, foreign policy, and in many cases international trade.

If it's relevant, I'll provide more details in answers to follow-up questions.

[*Translation*]

Ms. Hélène Laverdière: Thank you.

I have a quick question for Mr. Small. Actually, never mind—I think it's fine.

Mr. Rigby, you said that humanitarian assistance should be in line with Canadian values and priorities. However, it is generally recognized that humanitarian aid should be neutral. I think everyone acknowledges and accepts that.

I am not quite sure I understand how humanitarian assistance will be aligned with Canadian priorities. Does this mean that, if a non-priority country is flooded, we will provide less assistance than we would in the case of a priority country?

[*English*]

The Chair: Mr. Rigby, we have about 20 seconds left.

Mr. Vincent Rigby: I have 20 seconds. Thank you very much, Mr. Chair.

What proposed section 14 says is that humanitarian assistance will be aligned with Canadian values and priorities. So certainly, in terms of alignment with values, I don't think there's going to be any issue there. I think one of the fundamental values that Canadians embrace is compassion. So humanitarian assistance will continue to reflect Canadians' compassion for people and countries that are involved in humanitarian crises and emergencies, etc.

I think you could also make the argument in terms of broader Canadian foreign policy priorities that while those are set by the government of the day, I believe if you look at the record of the Canadian government over the last number of years one of the Canadian government's priorities has actually been providing humanitarian assistance. In providing that humanitarian assistance, I think Canada has embraced the humanitarian principles of independence, neutrality, and humanity, etc. So I don't see there necessarily being an inconsistency there.

• (1115)

The Chair: Thank you very much.

We'll turn it over to Ms. Brown for seven minutes, please.

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

Gentlemen, thank you very much for being here. I think this is going to prove to be a very interesting discussion, and one that I hope will actually raise awareness amongst Canadians about the enormous amount of work that Canadian international development does and about the amount of money that we contribute to humanitarian aid.

I was at the European Commission last Wednesday on behalf of the Prime Minister's Office. I made the funding announcement for our contribution to the Mali request. Canada gave \$75 million last week. We were in the top seven donors, which is really quite remarkable. We have had a lot of money going into Mali. It's a country that we've been very focused on. At this funding conference we proved our generosity once again, continuing our work in development and humanitarian aid.

If we reflect over the last couple of years on the things that Canada has done, we look at the amount of money that went into the East Africa drought relief fund. Again, millions of dollars went in there—about \$142 million, if I'm not mistaken. If we look at what we contributed to the Sahel in this last year, we stepped up to the plate recognizing early in the game that there were problems that we needed to address. That contribution went forward. Again, \$47 million went in right off the bat in order to be sure that we were assisting. We're helping in Syria, where we've put about \$80 million in humanitarian aid. That doesn't negate any of the work that we're doing in development. We continue with our development work because we know that, in the long run, we have to be focused on getting these emerging economies on their own feet.

I would really like to focus, Mr. Rigby, if you don't mind, on your talking about being in four other countries and looking at the experience of other countries. One of the countries that I spoke with last week at the spending conference in Brussels was the small country of Finland. Years ago they realigned their foreign development and international assistance with their foreign policy department. USAID did the same thing years ago. The U.K. did the same thing years ago.

Can you talk to us a little bit about your experience and the countries you spoke to?

I beg your pardon, Mr. Small. Can you tell us what your experience has been in discussions with these other countries and how they came to the decision that this was the best thing for them to do within their government?

Mr. Michael Small: Maybe my colleague Mr. Rigby would like to add something, because I was the beneficiary of a lot of prior analysis and a trip that was organized by his group. His section of CIDA in particular takes a very close look at what other donors do, and all donors, including Canada, report lessons learned to the development assistance committee of the OECD. So we went to four countries in quick succession—Denmark, Norway, the Netherlands, and Belgium, the national government in Brussels—rather than talking to the European Commission.

We also, before that, had a short but very productive discussion with local ambassadors from Sweden and Denmark, as well as those four countries here. So we got a bit of a snapshot of their experiences.

Overall, it was fascinating. Every single one of those countries had amalgamated development assistance with their foreign ministry. In the case of Belgium, it happened 10 years ago. In the case of the other three, it was about 20 years earlier, all around the early 1990s. They did it for coherence reasons, which are the same reasons the government today is looking at bringing this bill forward. They saw development assistance was an integral part of their country's international expression and they wanted greater coherence with foreign policy. More recently, several of them are now bringing international trade in. For instance, the Netherlands, which is a very eminent and effective donor, has just made the decision, four months ago, to bring the international trade elements into their foreign ministry, which they did not have before.

In Canada, our experience has been, since the early 1980s, to have international trade and foreign affairs merged. That's an important template and experience that we'll be drawing on and looking at, in terms of how to factor in and bring in fully the development component, when Parliament decides to pass this bill and it becomes law and comes into effect.

In terms of experiences, all of them said it works well. They had lots of specifics about the fact that you make a decision once, you carry it forward, and then there's always, inevitably, some reorganization that happens along the way, depending on things. But all of the subsequent reorganizations that they did over a 20-year period were to provoke and promote greater coherence and greater cohesion. Denmark was a very good example. They first had their foreign ministry divided between a south group looking after developing countries and a north group looking after mature democracies and industrial countries. About two years ago they decided to merge that into a much more integrated structure, where you have people dealing with development, foreign policy, and trade, no matter which country of the world.

The Norwegians told us they made the same kind of change because they realized the world was changing. The developing world doesn't compartmentalize the way it used to. When development agencies like CIDA were stood up, there was clearly the third world and then there was the first world. We all know that emerging markets are complex and interesting. Look at the countries where the Prime Minister is going today and tomorrow. They're development assistance partners, in Peru and Colombia. They're very significant trade and investment partners, and they're important political actors.

If you have an organization that is coordinated at the officials level and you have ministers who are on point to collaborate with each other and to work under an integrated foreign policy, you're going to support a more effective agenda. So looking at the experience of those countries was relevant.

I can add a little more. I won't take more time in answering this question, but on the human resource questions, I've a background as a former assistant deputy minister of human resources in Foreign Affairs. That was something that they all spoke to, having a more integrated capacity to help deliver all those different things.

I'll stop there.

• (1120)

Ms. Lois Brown: So if I may just ask, are any of them looking at reversing this policy?

Mr. Michael Small: None. In fact, in every case, as I said, if they made any changes, they were to increase coherence. I could parse them out separately, but they always found that they needed to go further than what they had done originally, once they had stood up the initial set-up.

The Chair: Mr. Rigby, you're always on the short end. You have 30 seconds left to finish off, if you could.

Mr. Vincent Rigby: Not at all, Mr. Chair. Thank you very much.

Really, I can't add much to what Michael said, just a couple of points. This is definitely an emerging trend, and so as we look around at our development partners and other donor countries, a lot of them have gone this way. I've had a chance over the last few years to talk to a lot of my colleagues around the world. To just echo the sentiments expressed by Michael, it has been very much a good news story. This has been about increased synergies, increased coherence, as the budget stated, and it has been a success story. Even in those agencies where they still have independence, as is the case with USAID and AusAID, they report up through their secretary of state or through their foreign ministers. So there is even some integration in that regard.

I guess the only other thing I'd say is that there's no one-size-fits-all. They all do it a little bit differently. So one of the great advantages we have, coming to this a little bit later, is that we can take a look at the lessons learned, where perhaps they would have done things a little bit differently, and we can apply that to our experience here. It actually puts us in a very strong position, moving forward.

The Chair: Thank you very much, Ms. Brown.

Mr. Easter, welcome to the committee, sir.

Hon. Wayne Easter (Malpeque, Lib.): It's nice to be here. Thank you, Chair.

Thank you, gentlemen, for your presentations.

One key question is—and yes, this is happening in other countries—what will the impact be at the end of the day with the combining of foreign affairs, development assistance, and international trade. Is trade more emphasized than aid? Do we lose some of the key priorities when it's all under one department?

Ms. Brown talked about the money that's been spent here and there, and that's fine. It's really nice to put some money into assistance, but if it isn't over the long haul.... I've had some experience with CIDA and farmers helping farmers and that kind of thing in countries in the past. Aid is all about the long haul, and how it can reduce poverty and help with human life.

Mr. Rigby and Mr. Patel, in your opening remarks you both seemed to emphasize Canadian values. One of the concerns I have with the government is that they haven't outlined their vision, whether it's in trade—today it's CETA, tomorrow it's TPP, and I guess this week it's Pacific Alliance with the Prime Minister being down there—foreign affairs, or aid.

Could you both spell out what you're saying when you talk about Canadian values? We all think of Canadian values as different things.

• (1125)

Mr. Vincent Rigby: Perhaps I can take a first crack at that, Mr. Chair.

When we talk about Canadian values, I'd say a couple of things. First of all, in the ODAAA, as we call it, the Official Development Assistance Accountability Act, we have a definition of values. There are references to inclusion and equitable development, those sorts of things. That's one place where you're going to find a definition.

When we talk about values from the perspective of Canadian foreign policy and development, we talk about things like democracy, freedom, human rights, the rule of law. Those four are usually bunched together.

I mentioned earlier the notion of compassion, which I think kicks in when we're talking about humanitarian assistance.

Broadly speaking, that's how we would usually define values.

Hon. Wayne Easter: You would agree, Nadir, with the nod of your head, but we can't see that in the record.

Mr. Nadir Patel: I would agree with the comments of my distinguished colleague. I wouldn't add anything more than that.

Hon. Wayne Easter: Thanks, Nadir.

Mr. Rigby, you mentioned the Official Development Assistance Accountability Act. I think one of our concerns is that it's supposed to be overarching legislation, an umbrella over what we do in aid.

How is this combining of the departments going to ensure that the principles and objectives in that act are specifically laid out so that the new minister in charge of CIDA under Foreign Affairs is going to have to follow what the overseas assistance development act suggests, or is it there?

Mr. Vincent Rigby: Thank you, Mr. Chair.

What I'd say is that, first of all, the ODAAA is still there. These are two separate acts, obviously, but I also feel that they're quite complementary. I think that's a good thing. Central to the ODAAA is making poverty alleviation the core component of our development efforts. You see in Bill C-60, in the new legislation, very clearly, that poverty reduction and sustainable international development is the key responsibility of the minister.

The second condition in the ODAAA is to make sure the perspectives of the poor are taken into account. A couple of the responsibilities of the minister in the new act are to make sure that he or she fosters relations with other donors and international organizations, and also with developing countries. We're speaking to developing countries and making sure that our plans and activities are aligned with theirs. Alignment is a key aid-effectiveness principle. It is also enshrined in the new legislation that the minister is responsible for ensuring that our aid and assistance are effective.

Finally, with respect to the third condition in the ODAAA, that our development activities be consistent with human rights. I think the specific reference in the new legislation to "values" speaks to our human rights and to our alignment with human rights. So I think that there is a great deal of complementarity between the two of them. The act is still there, and the minister will take on the responsibilities for that act.

Hon. Wayne Easter: Maybe this would be better to ask in Parliament, but is being complementary as an act enough? Should there not be direct links under this legislation?

I think all who sat in Parliament when that act was passed felt it was a great thing. But if you're going to have the poverty alleviation and the humanitarian measures spelled out in the act, wouldn't it be better to have a direct link under the changes? I refer to the minister himself. There is a concern out there in the general public, now that we're pushing assistance through some mining companies. Whether it's right or wrong, that concern is there; I hear it. For a new minister coming in at Foreign Affairs, I think it would be far better for him or her to refer to some of the things that it says in the Official Development Assistance Accountability Act. It would hold the minister to account. Moreover, it would give the minister some protection, in doing his or her job, with respect to humanitarian assistance and poverty alleviation.

• (1130)

The Chair: Wayne, that's all the time we have.

Do you have a quick response, Mr. Rigby?

Mr. Vincent Rigby: I wouldn't say they're just complementary. You do have some terminology that is almost identical in the two acts. Secondly, I'd leave it up to the committee whether they'd like to make a recommendation with respect to actually referencing the ODAAA in the new legislation.

Hon. Wayne Easter: Thank you.

The Chair: Thank you very much.

Thank you, Mr. Easter.

We're going to start our second round, which will be five minutes of questions and answers, with Mr. Dechert.

Mr. Bob Dechert (Mississauga—Erindale, CPC): Thank you, Mr. Chair, and my thanks to each of you gentlemen for being here this morning.

I note that there's a fair bit of endorsement and agreement on this policy decision amongst diplomats, NGOs, even opposition parties.

The former diplomat, Colin Robertson, who's currently the vice-president and senior fellow of the Canadian Defence and Foreign Affairs Institute, said, "The re-integration of CIDA into Foreign Affairs and International Trade is a sensible move." The Canadian Council on Africa has said that it believes the amalgamation of CIDA and DFAIT, done right, will benefit partner countries and Canadians. Even the leader of the opposition, Mr. Mulcair, has said, "I think that it could be a good idea if the money flows".

Mr. Axworthy, a noted former Minister of Foreign Affairs, said:

The move...to end the independence of the Canadian International Development Agency and move its operations into the foreign ministry is one I strongly endorse. I compliment the government on taking this step.

I even note that my honourable colleague, the NDP critic for international development, has said:

Let's be clear: placing CIDA within DFAIT is not, in principle, a bad idea. In fact, this kind of arrangement has worked fairly well in other countries, including Norway, the Netherlands, and Ireland—all respected international donors with strong records.

It seems there's a pretty strong indication among the various interested parties that it makes some sense to integrate these three departments. Through our committee's work it's become clear to us that there are many instances where Canada's trade objectives, diplomatic goals, and development benchmarks are already intertwined.

Mr. Patel or Mr. Small, could you give us some examples of where Canada's interests have merged or aligned in this regard?

Mr. Nadir Patel: I'll ask my colleague to start, then I'll maybe jump in, if that's okay, Mr. Chair.

The Chair: Certainly.

Mr. Vincent Rigby: I think there's been a great deal of alignment between development and our foreign policy priorities already. I think amalgamation is going to take that next step, up our game, so to speak. If you look at foreign policy in the broad objectives for Canada at the moment—which I would say are effectively prosperity, security, and the promotion of our values—and look at some of the specific things we've done at CIDA, we've supported all of those objectives.

With respect to prosperity, this committee's done an excellent report on the private sector and sustainable economic growth. When we pursue sustainable economic growth activities in developing countries, we're pulling them out of poverty. We're helping them grow their economies. We're helping pull their people out of poverty. So that's all good from a development perspective, but we're also basically creating markets for tomorrow for our own companies and pursuing Canadian interests. I don't think those are mutually exclusive. I would suggest they're actually mutually reinforcing in a lot of ways. So on the prosperity side, I think that development has done a lot.

In terms of security and stability, I could give you all kinds of different examples, but I probably don't have enough time in terms of actual programs. On security, again, I think development helps address conflict and instability at its source. So when we do programming in the areas of children and youth, for example, or education, or health, or when we do work in the area of democracy, I think we're actually promoting stability and helping to create conditions where insecurity and instability are not going to arise.

Finally, with respect to values, again going back to my earlier answer and what our values are in terms of democracy, freedom and compassion, I think a lot of our activities there show that side. On development, take a look at our maternal, newborn and child health activities. This has really been sort of a flagship initiative for the agency over the last number of years, and all kinds of other work in terms of our humanitarian assistance, showing our compassion. Again, I think that's really promoted our values. It's helping lay the groundwork for democracy and human rights.

I think we've done a lot of good work, not only on the CIDA side but on the DFAIT side as well.

• (1135)

Mr. Bob Dechert: If I might interrupt you, Mr. Rigby, you mentioned the Muskoka initiative on maternal, newborn and child health. How will this merger further the status of that initiative, in your view?

The Chair: You have 30 seconds.

Mr. Vincent Rigby: Absolutely.

Right now, our programming goes up to 2015, so we're more or less in the middle of a five-year program to spend \$1.1 billion in new money, and \$1.75 billion in ongoing money. Therefore, we will continue that work up until at least 2015.

The Chair: Thank you.

Thank you, Mr. Dechert.

We'll turn it back to Madame Laverdière and Mr. Dewar.

Madame Laverdière.

[*Translation*]

Ms. Hélène Laverdière: Thank you, Mr. Chair.

As three of us will be sharing our time, I will be very brief.

My first question follows up on those I asked about the consultations that have been held.

Have professional associations and unions been consulted?

[*English*]

Mr. Nadir Patel: I think it was the day after or a couple of days after the budget that I sat down with all of the bargaining agents within the Department of Foreign Affairs and International Trade and we discussed this announcement. We have undertaken to ensure that we continue to communicate, inform, and engage our bargaining agents on a regular basis as we go forward. I know my counterpart at the Canadian International Development Agency had done the same thing very early on.

I can also indicate that the feedback from that session was very positive in that there was certainly a level of appreciation for taking the time to offer up what it is that we did know at the time. We look forward to further engagement with our bargaining agents as we go forward, and that includes the Professional Association of Foreign Service Officers, the Public Service Alliance, and others—essentially, all those that represent employees within the department.

Ms. Hélène Laverdière: Thank you.

Mr. Paul Dewar (Ottawa Centre, NDP): Thank you, Chair, and thank you to our witnesses for their presentations.

One of the things that I think is surprising for many of us is not only what my colleague mentioned in terms of the process of this legislation going through the way it is... Obviously, that is not for you to comment on. It's not your doing. But when you look at the U.K., and this was mentioned by Mr. Dechert, we don't have a problem with the idea. The importance, though, is in how you consult, who you consult, and what the terms are.

I'm trying to find out and figure out what happened here, because we have a bill that comes before us and it's a budget bill. With all due respect, when a budget bill comes forward, you obviously can't leak it unless there's a political motive. But this is about changing the department. When the U.K. and when our friends south of the border did it, there were wide consultations. Ms. Clinton took on this issue and consulted widely.

I'm trying to figure out what happened and why we're at the point where we have a transition team in place. That's great. That's important from a public service point of view. We have legislation with a ribbon on it, through an omnibus, but where was the consultation before all this happened?

Mr. Nadir Patel: Let me just make a couple of comments on that

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Mr. Paul Dewar: Just before I do that, sorry, you've done some study on the others. Would you acknowledge that they did wide consultations internally and externally when they were bringing forward their changes in the U.K. and in the U.S.?

• (1140)

Mr. Michael Small: To be candid, I haven't looked at that.

Vincent, have you?

They have different structures from what we are putting forward.

Mr. Paul Dewar: They consulted widely. I guess I'll give you that. It's true.

Mr. Vincent Rigby: Mr. Chair, it's difficult to make generalizations about the extent of the consultations in individual countries. Consultations absolutely did take place. Whether they happened before the announcement to proceed with amalgamation, or after, I can't speak to that. Certainly—and I'm sure Nadir will speak to this, and Michael as well—as we move forward there will continue to be extensive consultations, I think, in terms of how this amalgamation comes together.

Mr. Paul Dewar: It's after the fact, I might add, Mr. Chair.

Again, you're doing your job, but I'm pointing this out because this is the government's announcement in a budget bill. We're being told there was no consultation beforehand. My goodness, if you're going to do this, do it right. That's what our point is here.

Ms. Péclet might have a question. I'll leave it to her.

Mr. Nadir Patel: Chair, I have a couple comments on that—I'm sorry.

Mr. Paul Dewar: I think we're fine. Thank you, Mr. Patel. We're good.

[*Translation*]

Ms. Ève Péclet (La Pointe-de-l'Île, NDP): I will try to be brief.

Respect for human rights is a very important issue, and I hope it will remain a priority in the government's new policies, especially when it comes to corporate social responsibility. I am thinking of the tragic event in Bangladesh. I hope that the rules will be tightened and taken into account in the new policies.

That being said, I would like to know whether the amalgamation will result in any changes when it comes to the CIDA countries of focus.

[*English*]

The Chair: Once again, could I get a quick response, Mr. Rigby?

Mr. Vincent Rigby: Sorry, when you said the target missions, do you mean the specific countries where we do activities? Yes.

Right now we have 20 countries of focus, and about 15 to 16 countries have a modest presence. Those certainly will not be changed because of amalgamation.

We're always looking at priorities and we're always looking at our countries of focus in terms of possible changes in country circumstances, or changes to broader government priorities. There's no direct linkage to amalgamation in that regard.

The Chair: Thank you very much. We're going to move over to Ms. Brown.

Ms. Lois Brown: Thank you, Mr. Chair. This is very informative.

Gentlemen, in the bill it talks about transition teams. You've talked a little bit about that. I wonder if you could speak more to how this is going to roll through. Do you have any insight into that?

Mr. Small, in your discussions with other countries, can you give us some insight into how their transitions took place to make it smooth so that none of the work that was being done by the international development agencies got left behind?

Mr. Michael Small: I'd be happy to answer that. In the conversations that we had in the countries I mentioned, we didn't get into looking back, which is exactly what they did at the immediate moment of transition. We were looking at how they made the integrated departments work. They were also candid about what hadn't worked as well and what they needed to adjust as they went along. A couple of them, by the way, have separate technical agencies—Norway, for instance—and they spent a lot of time explaining the boundary problems that were created by having a technical agency that was apart from the foreign ministry that still did development work. Those are some of the specifics that came out.

On transition planning, I'm beginning to put together officials in both departments who are interested and supportive of this work and who bring expertise and knowledge across the whole range of activities of what the new department would cover. Obviously, we're doing this on behalf of the ministers. Personally, I report to both deputy ministers of Foreign Affairs and the president of CIDA at the moment as the first-person nucleus of a transition team. It's a matter of doing a lot of internal consultations, discussions, and analysis of exactly what the resources are of the organizations and where the best fits are.

The goal is coherence and synergy. You need to build structures that are going to get you there. That's exactly what we're in the planning phase working on right now. This is all planning in advance of the bill being passed and becoming law, and the reality taking place. After that happens, on the assumption that Parliament chooses to put that into law, then there's a whole implementation phase, which is where a great deal of discussion can happen internally and externally on business processes, on how you work in specific fragile countries, on how you coordinate these instruments. It's harvesting good ideas from stakeholders and from staff, which is what my colleague alluded to.

That's something we're already anticipating doing. I have to say my focus right now is getting the planning done for what needs to be in place for a new department to be stood up on the first day after the bill is passed.

•(1145)

Ms. Lois Brown: Mr. Small, are you confident that we have the expertise available, the personnel available, to make this happen and to happen smoothly? Do you see any place where there's a possibility of gaps in our humanitarian assistance, or gaps in our development assistance because of this transition, or do you think it's going to move forward fairly smoothly?

Mr. Michael Small: I'm convinced it's going to move forward very smoothly. First of all, in terms of machinery of government changes, I've been a public servant my whole career and I've seen a number, including in the Department of Foreign Affairs. There's a lot of expertise on how to go about doing that.

In terms of gaps in programming, I don't see any indication of why that would occur, because what's being amalgamated is all of the Canadian International Development Agency's mandate. It's changing and bringing its minister into a new structure under this act. It's bringing in its programming, and its priorities are clearly spelled out in the bill and in the budget statement, so there really is no ambiguity about the fact that development is now going to be at the core of Canada's international interests, as it says in the budget. We're putting that into an expression in terms of a new institutional and bureaucratic structure to deliver on that mandate.

I don't know if you want to add anything, Nadir?

Mr. Nadir Patel: If I may, Mr. Chair, I'll just add a couple of comments because I think it's an important question.

We are in, as my colleague pointed out, the planning stages right now. There is an opportunity now, as I stated in my opening remarks—and in fact not only an opportunity but a desire—for consultations to take place. I would just clarify that. I'm not so sure that it's accurate to say that there were no consultations, even up until now. In fact, I can't say what Finance would have done in advance of the actual budget, but I do know that the question asked of us was, when did you know about this? We knew about it a couple of days before. But there is an opportunity to consult stakeholders, employees, bargaining agents. It's not unreasonable for that, in my view, to take place now at this stage. In fact, some of that will need to take place after the new department is created as well. There are some elements that we'll focus on to ensure they're immediately addressed, and then some elements that will take some additional time to align.

We use the term “consultations”, and it could mean different things to different people. But I think there's certainly an opportunity for that to happen right now and there's a desire for that to happen, going forward. I think the legislation should give the parameters to move ahead, and I think it does, but I think that's an important point and we'll continue to build on that as we go forward.

The Chair: Thank you. That's all the time we have.

Ms. Lois Brown: Can I just say, Mr. Chair, that the finance committee did cross the country before the budget was put together, and they heard from stakeholders from every area of this country on issues that were important to Canadians. I just put forward that extensive consultations on this budget have taken place.

The Chair: Thank you.

Mr. Dechert.

Mr. Bob Dechert: Thank you, Mr. Chair.

Mr. Rigby, did you have a follow-up to that last answer?

Mr. Vincent Rigby: I do.

Mr. Chair, I was just going to reinforce what Michael said with respect to CIDA programming. The core mandate of CIDA has not changed. It has in fact been enshrined in legislation now. We all have day jobs, and while this is going to be a complex business, our day jobs are to deliver policy and programming, so we're committed to continuing to deliver that programming on a day-to-day basis.

Mr. Bob Dechert: Thank you, gentlemen.

When Minister Baird appeared before this committee last month, he addressed the merger and he said something interesting. He said that we all have an oar in the water and we all want to row together. Can you tell us what the role of Canada's heads of missions will be and how they will be able to contribute to a more coherent policy with this move?

Mr. Patel, do you want to try your hand at this, and Mr. Small?

Mr. Michael Small: I guess that comes to me, since I've been a head of mission on two occasions, and the heads of mission are among the people we're consulting.

The role of a head of mission is as always to integrate and coordinate all of the Canadian government's presence abroad and to provide services to Canadians overseas. That is generically what the role is. This change is not dramatic, but it is subtle and it is important. What it means is that, whereas previously...

I will give you a specific example. I was Canada's ambassador to Cuba from 2000 to 2003. We had a small but very valuable and effective aid program, which continues there. I was a big supporter of what it was doing to promote economic modernization in a rather particular context. The difference is that the head of that program kept me informed at all times of the activities, and I would represent Canada's overall interests in that program. Once a development function becomes part of the same ministry, though, your head of mission has a lot more of a role to play upstream, in the planning and discussion process as to what the priorities will be going forward, and furthermore will review people's performance. You don't do that, as a head of mission, for people who come from other departments. You are there to coordinate the implementation, but you're not there to actually evaluate it.

The flip side is equally important, and this is a message that I give in internal discussions. Development, now, under this new ministry, is going to be everybody's business. I repeat that. It's everybody's business, in the same way that trade and commerce are everybody's business. So heads of mission will be judged on their contribution to the development assistance program. This won't just be in places where there are development assistance programs.

I made a point to our ambassadors, in those four countries that we visited, that they were expected—and I have followed up with them—to start doing continuing analysis and engagement with those countries, and this will be done in other donor countries as well, so that we're better informed about what other donors are doing. This is because, even if you're posted in Finland—to pick a country that you used in your example—our head of mission there should now put a little higher on his priority list the analyzing and understanding of how Finnish aid works, in order to inform and target our activities more effectively.

So it's both an internal and an external change in the role, in terms of the priority that it gives for heads of missions.

• (1150)

Mr. Bob Dechert: I noticed, when I was reviewing the legislation before us today, some comparisons to the existing Department of Foreign Affairs and International Trade and the way it is managed.

First of all, is that an accurate interpretation? Are there similarities there? Can you explain to this committee the day-to-day relationship or structure between Foreign Affairs and Trade? How does it work, and how do you see it working with the addition of CIDA to the mix?

Mr. Nadir Patel: I think it is in fact a very accurate reflection of how this could work in relation to international development as well. In day-to-day terms, under the current DFAIT act—the legislation for the Department of Foreign Affairs and International Trade—the Minister of Foreign Affairs is still the “senior” minister, if you will. Yet, it works in a very pragmatic fashion. The Minister of International Trade is a full cabinet minister, responsible for all international trade-related programs and initiatives within the department. It works quite well.

Then you have the deputy minister of International Trade working very collaboratively with the deputy minister of Foreign Affairs, even though the deputy minister of Foreign Affairs is the chief accounting officer and has overall responsibility in the day-to-day management of the entire organization. You don't see this in the context of any issues; you see a very strong complementarity.

That model, which has worked well for many years both at headquarters and abroad, can certainly be applied as an example for the international development function as well. You see a lot of coherence and coordination as it relates to foreign policy and international trade-related initiatives. I think this can extend, based on some of the examples we were talking about earlier.

You certainly see, from a Foreign Affairs and International Trade perspective—to build on what my colleague was just saying—accountability for the overall Department of Foreign Affairs and International Trade objectives, goals, and priorities. By bringing all of this together, that accountability element, the “single oar in the

water” type of analogy, extends to the full suite of the various initiatives as well, with international development included.

Of course, there is an optimizing of performance and resources in that context as well.

The Chair: Thank you very much.

Madame Laverdière—

Mr. Paul Dewar: [*Inaudible—Editor*]

The Chair: Mr. Dewar.

Mr. Paul Dewar: I want to clarify something. I wanted to ensure we understood the point that we have on this side. The consultation we're speaking of—the lack of consultation—is not due to the people who are at the table right now. It is the fact that...

I challenge this premise that somehow when we were consulting on the budget, this was people coming out to talk about the changes in how DFAIT was going to be put together. I'm sorry, that doesn't wash. Further to that point is that this is exactly why we're critiquing this process.

Mr. Patel is doing a good job of being a good public servant in saying that we will be able to consult after. The fact of the matter is that this committee can't deal with that bill. It's over in finance.

So I underline this point to our friends on the government side. If you're going to do this seriously and look at other jurisdictions, do it seriously. But throwing it into a budget bill, the very point that was made by our witnesses.... We can't deal with it here. Even when our friend, the Minister of Foreign Affairs, said they'd love to cooperate.... The fact is that our hands are tied. It's over there with finance. So I really underline the point that consultation was not done appropriately—nothing to do with the people at this table.

Finally, the fact that it was put into this omnibus bill undermines the credibility of a good idea because you have not consulted. You failed to consult. You're not doing it in the right sequence. I say that with respect to the government.

• (1155)

Ms. Hélène Laverdière: Thank you very much.

In this respect I was pleased to see that the honourable parliamentary secretary had read my op-ed, but I hope he read the next paragraphs after the one he quoted, which lay out some of the problems we see with the current process.

Just as a note on the public consultation, indeed it's very good to consult stakeholders. If I'm not mistaken, the stakeholders said to please reverse the cuts to CIDA's budget, so hopefully we'll see that in the next budget.

Sorry, we just have this dialogue once in a while.

[*Translation*]

I have a question about the timeline.

What will be happening going forward? When will certain administrative functions be implemented? What are the next steps in the administration management of the process?

Thank you.

[*English*]

Mr. Nadir Patel: If this legislation passes as expected, then we would have the new department created as of the date of royal assent. Essentially that means there would be a number of issues for day one that need to be addressed, whether they relate to the expenditure management process, for example, or if you would have one chief accounting officer for the department, what the attestation process would be as it relates to financial management, authorities around finance, authorities around human resources, so these types of things. What is it that you need to have in place for day one? That would be the immediate focus.

In addition to that, as I indicated earlier, we are in the planning stages. That would eventually move into an implementation stage as well. During the planning stage there is an opportunity to be as informed as possible, to seek as many views as possible, whether from like-minded...or other country examples, or from our bargaining agents, or however we want to—whether we call it consultations or whatever, it doesn't matter. But there's an opportunity for us to be as informed as possible as we move towards day one.

Part of that, as it relates to day one, is whether there are any organizational structural changes you absolutely need to make, or to what extent you have some flexibility going forward. If you have some flexibility going forward, you'd want to ensure that you're as informed as you can be, as it relates to implementation down the road as well.

So our first deadline, if you will, if I can use that term, would really be around what absolutely must happen for day one, just to ensure continuity of operations. That's our immediate focus from a corporate administrative perspective. Beyond day one would be a series of other timelines, which my colleague Michael can speak to.

Mr. Michael Small: Briefly, we're trying to work those out.

One document we've looked at in terms of consultation advice was actually a very effective guide produced by, of all things, the state government of New South Wales. It's a guide to effective amalgamations of public sector institutions. They say large-scale amalgamations take at least a year to effect. The Canadian experience would indicate that as well. When Foreign Affairs and International Trade was united, it was about 18 months before the new structure fully came into place. If you look at other examples in the Canadian government more recently, that's a realistic timeframe.

Some things will take longer. On the human resources side it will take a longer period of time to create one culture. That's something that all of the other countries we talk to.... You can send out some early signals and incentives on how you're going to create opportunities for people with development experience to do other kinds of work and encourage people who have political and trade experience to do development work. That's something that can take a while to create, but you can send the signals out right at the start. That's some of the analyses we're doing presently.

●(1200)

The Chair: Thank you very much.

Mr. Small, Mr. Patel, and Mr. Rigby, thank you very much for your time here today.

I will suspend the meeting for a couple of minutes so we can get our next group of witnesses set up.

●(1200)

_____ (Pause) _____

●(1200)

The Chair: I want to welcome our two guests for our second hour.

We have Lauchlan Munro, director of the School of International Development and Global Studies, University of Ottawa. Welcome, sir. We're glad to have you here.

We also have Jim Cornelius, the executive director of the Canadian Foodgrains Bank. Welcome, sir, to you as well.

Professor Munro, why don't we get started with your testimony, and then we'll go to Mr. Cornelius. Then we'll go around the room, back and forth, for questions.

You have 10 minutes, sir. I'll turn the floor over to you.

●(1205)

[*Translation*]

Prof. Lauchlan Munro (Director, School of International Development and Global Studies, University of Ottawa, As an Individual): Mr. Chair, members of the committee, thank you.

I will make my presentation in English, but if you have any questions, it will be a pleasure for me to answer in the official language of your choice.

[*English*]

First of all, like many others I welcome the legislation's clear commitment to a Canadian aid program whose objectives focus on sustainable international development, poverty reduction, and humanitarian assistance. Such clarity of mandate is a good thing, and I support it. Sustainable international development, poverty reduction, and humanitarian assistance are objectives around which all Canadians can and should rally. I hope that all political parties in Parliament support these objectives as the cornerstone of Canada's aid program.

I do, however, have a few concerns about a couple of issues, and I'll bring these to the committee's attention.

I have a few concerns about proposed paragraph 14(d) in clause 74, which says that humanitarian assistance should be delivered “in line with Canadian values and priorities”. The phrase “Canadian values” is presumably an allusion to section 3 of the Official Development Assistance Accountability Act. “[G]lobal citizenship, equity and environmental sustainability” are the defined Canadian values in that act. But the statement is vague, and it misses the essential point, namely that humanitarian assistance must be allocated impartially on the basis of objective need.

I believe the legislation should rather require that Canadian humanitarian assistance be delivered in line with internationally accepted humanitarian principles and humanitarian law.

I am a little dismayed that this important piece of legislation is part of a larger budget implementation bill. I believe that clauses 174 through 199 of the budget implementation bill are important enough that they merit consideration by Parliament as part of a stand-alone piece of legislation. As I said recently in an article in the *Ottawa Citizen*, we now have the opportunity to refound Canada's aid program for a generation or more. I think that all-party consensus on the refounding of Canada's aid program is possible. It is certainly highly desirable, in my view. It would be a pity, if the refounding of Canada's aid program did not receive all-party support simply because the law refounding it is encased in a larger budget bill that has provisions that prove unacceptable to one or more of the opposition parties.

While the bill's emphasis on poverty reduction and humanitarian assistance are welcome and appropriate, they come with certain risks, which need to be acknowledged.

The objective of poverty reduction lends itself to an interpretation as short-term interventions, such as building schools, digging wells, and providing emergency relief supplies. These have been part of my career. They are certainly part of Canada's current aid portfolio and should continue to be so. But if we are to take seriously Canada's commitment to pursue sustainable international development, our aid program must pursue its objectives over the short, medium, and long run. Our aid program must help build capacities and systems so that developing countries can increasingly help themselves. The success of such efforts cannot be judged by the usual short-term management metrics. We are fighting 20-year problems with five-year projects and annual budget cycles.

Furthermore, in order to work well in the long run, Canada's aid program must include strong research, policy analysis, and evaluation components, so that it is always learning and improving. Our aid program must build the capacities of our partners in the developing world to do such research, policy analysis, and evaluation, so that they too can constantly learn, improve, and develop their own skills, capacities, and systems. This is the key to truly sustainable poverty reduction over the long run.

Let me add a word about the private sector and our aid program. The private sector is a big part of what has made Canada the rich and pluralistic country it is today. Canada's aid program can and should include the private sector when it promotes the objectives of poverty reduction, sustainable development, and the promotion of democracy, human rights, and the rule of law. We can find win-win-win solutions whereby Canada's image abroad is burnished, Canadian

companies make a decent profit, and private investment reduces poverty, protects the environment, and respects human rights.

● (1210)

It is not in our national interest to have Canadian companies engage in corrupt and illegal practices abroad, nor is such misbehaviour consistent with Canadian values. Canadian policy, whether through trade promotion or aid, should never encourage such misbehaviour.

I have a word on aid effectiveness.

Legislation is important for setting objectives and principles to be followed, but legislation cannot and should not try to cover everything. Some things are very important for the effectiveness of Canada's aid program but do not appear in this legislation. To name two pressing issues that are hurting the effectiveness of our aid program one can cite the excessive centralization of control in the minister's office and the related apparently ever-reducing speed of decision-making at CIDA. I hasten to add this is not the fault of our good public servants.

The result has been that large amounts of the aid budget are unspent at the end of the fiscal year, large needs are unmet among our aid recipients, and many very good small Canadian charitable organizations are experiencing cashflow difficulties since they depend on speed and clarity of decision-making when they choose to compete for government funds in competitive calls for proposals. This slowness due to increasing centralization in recent years comes on top of already existing administrative and financial processes that can only be described as cumbersome to begin with. If we are truly interested in aid effectiveness this is the first frontier.

Finally, donor countries have been merging and demerging their aid and foreign affairs ministries off and on for decades now. The evidence from several studies suggests that neither the merger of the aid and foreign ministries nor their demerger is inherently a superior model. What matters for the quality of the aid program is the clarity of the mandate, the political will to make the aid program work—and that often means letting the managers manage—and pressure from civil society, the media, and parliamentarians to make it work and to keep it working.

With this legislation we will have gone a long way forward in getting clarity of mandate. The task ahead is to ensure that the other two elements, political will and political pressure, are present as well.

[Translation]

Thank you for your attention.

[English]

The Chair: Thank you very much, Professor Munro.

We're now going to turn it over to Mr. Cornelius.

You have 10 minutes, sir.

Mr. Jim Cornelius (Executive Director, Canadian Foodgrains Bank): Thank you for inviting me to testify before this committee. I might struggle a little bit because I've just had some eye operations and don't have new glasses to make it all work, so I hope my print is large enough here to follow my own text. Otherwise, I may be less coherent.

I'll give you just a quick introduction. I'm the executive director of the Canadian Foodgrains Bank, which is a partnership of 15 Canadian churches and church-based agencies working to end global hunger. We're celebrating our 30th anniversary this year and have worked closely with CIDA over those 30 years.

Prior to becoming the executive director at the Foodgrains Bank, I spent 15 years working in the field of international development and humanitarian assistance. During this time I had considerable engagement with Canada's international aid program, including managing a CIDA bilateral program in the Horn of Africa.

I'm also presently serving as the chair of the board of the Canadian Council for International Cooperation, which is the national association of Canadian organizations involved with international development and humanitarian assistance.

Let me begin by saying that I'm agnostic on whether the amalgamation of CIDA and DFAIT is a good thing or a bad thing. I must admit that I'm saddened by the thought of the CIDA name and brand disappearing after 45 years. While CIDA's reputation in Ottawa has not always been high, it has generally been well perceived among the Canadian public and internationally, and has been part of Canada's positive brand in the world. This is something of value that will be lost in this amalgamation process, and I think we need to name that.

Nevertheless, in my view an effective international aid program can be delivered through a separate international agency such as CIDA or as part of a Foreign Affairs department. Both models are viable. There are potential benefits and real risks related to each approach.

Given that the decision has been taken to amalgamate CIDA with the Department of Foreign Affairs and International Trade, I will focus my testimony on steps that are necessary to protect and enhance the integrity of the aid program and on how this legislation can contribute to the delivery of an effective aid program.

There is always a risk that the development objective of reducing poverty in developing countries gets subordinated to Canada's trade and diplomacy objectives, compromising the effectiveness of the aid program in reducing poverty. The amalgamation of Canada's aid program into the department that is also responsible for trade and diplomacy heightens this risk.

Canada's international aid program started in the 1950s, long before CIDA existed, with the provision of surplus Canadian grain to countries facing high levels of hunger and poverty. Those were the

first aid programs. It was an effort to combine helping people facing hunger and poverty while also supporting the fortunes of Canadian farmers. We have learned over the years that while this dual purpose type of aid can make a difference, it is often much less efficient and effective. That is why aid donors are increasingly untying their aid and why Canada recently completely untied its food aid. It's also why there is greater emphasis on being clear about the purpose of the aid program and not trying to accomplish too many potentially competing and sometimes inherently incompatible objectives.

As I travel across this country speaking with thousands of Canadians, a consistent message I hear is that many Canadians care about those living in poverty in developing countries. They take personal actions to do something about it and they expect Canada as a country to respond to the needs of the world's most vulnerable people—those facing crisis, trapped in poverty, oppressed, neglected, and forgotten.

This concern transcends political ideologies. I remember a few years ago meeting with a group of farmers in a church basement in Saskatchewan. Sitting on my left was a farmer active with the Reform Party at the time, and on my right another farmer active with the NDP. I began exploring with them what was bringing them together to work on the issues of global hunger. They both shared the view that each person is of value, and that hunger and poverty robs people of their humanity, and that we have a responsibility to do something about it. Now, they disagreed on the best strategies—a legitimate debate—but they agreed that our aid efforts should be about making a difference for the poor, and that it is not about what's in it for us.

• (1215)

When we were meeting with farmers about the untying of food aid and explaining how this would make it more efficient and effective, most were supportive. They saw the primary purpose of food aid as being to reduce hunger and poverty, and if requiring it to be sourced in Canada was reducing its effectiveness, then they were prepared to support the change.

In our view, it is vital that Canada's aid program makes the needs of the poor and suffering central to its mandate and activities. The degree to which suffering is alleviated, that poverty is reduced, and that families and communities have access to the health and education services they require, should be the primary measure of success. I also think this is a view that is broadly shared by most Canadians, irrespective of their political ideologies.

While there is certainly opportunity to better coordinate Canada's relationship with developing countries in ways that contribute to poverty reduction, global peace and security, and Canada's prosperity, in our view it is essential that poverty reduction be at the core of Canada's aid program and not subordinated to other objectives, and that there is a distinct aid program with a clear poverty reduction mandate.

To this end, we are pleased that the proposed legislation makes a clear reference to fostering poverty reduction in developing countries as a mandate of the department, and assigns a minister for international development and a deputy minister for international development to carry out this mandate. This legislated mandate and structure can help protect the integrity of the aid program. We would expect to see the continuation of a distinct international aid program focused on poverty reduction in developing countries.

In our view, the legislation could be further strengthened by referencing the Official Development Assistance Accountability Act. It specifies that Canadian aid must focus on poverty reduction, take into account the perspectives of the poor, and be consistent with international human rights standards.

The amalgamation also potentially increases risks related to the way that humanitarian assistance could be allocated and provided. There will be less separation between the delivery of humanitarian assistance and other foreign policy making structures. This could lead to humanitarian assistance being used as a tool to advance particular political, military, and economic agendas. It is critical that Canada retains a commitment to needs-based humanitarian assistance and that humanitarian assistance not be politicized.

In a conflict context, the fundamental humanitarian principles of humanity, neutrality, impartiality, and independence signal to all parties that the sole purpose of humanitarian assistance is to prevent and alleviate suffering and that it has to be independent of any political, military, or economic agendas.

The legislation could be strengthened by making reference to the humanitarian principles in relation to the provision of humanitarian assistance. In proposed section 14 of the legislation, which deals with the duties of the minister for international development, a section could be added that requires a minister to ensure Canada's international humanitarian assistance contributions are in line with internationally recognized humanitarian principles. Alternative wording might be to ensure Canada's international humanitarian assistance is provided on the basis of clearly identified needs. The current wording in proposed section 14, linking humanitarian assistance with Canadian priorities, is problematic. It would be better to treat humanitarian assistance separately.

Finally, the minister for international development is rightly given responsibility for ensuring the effectiveness of Canada's international development and humanitarian assistance activities. This responsibility could be strengthened by referencing adherence to commonly accepted principles of aid and development effectiveness.

In summary, we are pleased that the proposed legislation makes a clear reference to fostering poverty reduction in developing countries as a mandate of the department and assigns a minister for international development and a deputy minister for international development to carry out this mandate. It could be strengthened by making reference to the Official Development Assistance Accountability Act; adding a clause to ensure Canada's international humanitarian assistance contributions are in line with internationally recognized humanitarian principles or are provided on the basis of clearly identified needs; and making reference to adherence to commonly accepted principles of aid and development effectiveness.

Thank you for your attention, and I welcome any questions you may have.

● (1220)

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

We're going to turn it over to the opposition.

Madame Laverdière, you have seven minutes, please.

Ms. Hélène Laverdière: Thank you very much, Mr. Chair.

Thank you ever so much to you both for two extraordinary presentations. Really, I am nearly speechless, and it doesn't happen that often.

To start with, we are in general agreement that what is at issue here is not so much the merger. To merge or not to merge is not the question here.

I hear, again, a common point in both of your presentations with which I fully agree. In particular, regarding humanitarian assistance, we need to keep that separate from Canadian priorities. It has to be based on international standards, humanitarian principles, and international humanitarian law. I fully agree with that.

On a number of issues you've mentioned, I could go on and on. Also, on the need for a full discussion, this is so important. It's such a rare opportunity to discuss the whole mandate of the minister and the department. As you will guess, we fully agree that this shouldn't have been done through a budget implementation bill. We need long consultations to do things properly.

I have so many questions. I'm sorry, I'm losing track of them.

One point, Mr. Munro, that you made was about the very slow process in the approval of projects and programs due to the centralization in the minister's office. What we seem to note is that as centralization is increasing, as you were saying, the speed is slowing, and it also presents a problem of transparency because a lot of people are saying that they don't know what the criteria are any more. It's very difficult to evaluate on which basis a project is or is not approved.

Could both of you expand a bit on this?

● (1225)

Prof. Lauchlan Munro: I'd say a couple of things. Number one, when I made that remark, it was not a pointed remark at this government. Similar trends were visible under previous governments. I'd like that to be understood.

Development and international development cooperation is a risky business. It's a business. It's full of risks and uncertainties. The two risks are different. You know the probabilities; the uncertainties, you don't. It is time that parliamentarians had an adult conversation with Canadians about risks and uncertainties, and international development.

I know the international development business. I have been in that my whole career and love to sell it as a series of easy wins. Give to us and we'll feed this child, and the child will become well nourished magically. I have worked in east Congo and South Sudan, and places like that. It doesn't work that easily.

At the same time, we've had a series of public management measures under this and other governments, and not just in Canada, where basically we've been telling public servants to be ever more risk-averse. We're not letting the managers manage, as we did a decade or two ago. We're piling layers and layers of governance and risk management terms, and extra approvals on top of a layer of political oversight, which is normal and natural in our parliamentary system.

Maybe we should look at it the way the private sector might look at this. Look at the venture capital industry. Venture capitalists invest in between 10 and 20 companies and expect maybe one or two of them to work out. They expect 18 or 19 failures, but the two that work, work so big, that the venture capitalist makes money.

Maybe Canadians aren't quite ready for that high failure rate, but let's have an honest discussion about doing some things in a difficult and risky terrain, where not all of them will work, but we'll take appropriate measures to safeguard public money, learn our lessons systematically as we go through, and improve. That is the way to make bigger returns in the long run. That might be an interesting way of refounding our aid program, and I hope would be one that would find wide, all-party support.

Ms. H  l  ne Laverdi  re: Do you have anything to add or...?

Mr. Jim Cornelius: I think anyone involved in this work needs reasonably speedy and clear decision-making processes because it's difficult to plan, if it's unclear, when approvals might be coming forward. So anything that can increase the predictability and speed with which decisions can be made will certainly lead to better results. It's very difficult to operate in an environment where it's unclear when approvals might be granted and how long the process is going to be.

These I understand. I think Lauchlan does a good job of explaining why it's more complex with all these layers on top of it, but efforts to improve that would go a long way to enhancing and improving results.

Ms. H  l  ne Laverdi  re: Very briefly, Mr. Cornelius, you told that story about reform and not being in agreement. If I understood well, being in agreement about wanting to make a difference for the poor and aid shouldn't be about what's in it for us. With that in mind, a lot of people have reacted rather negatively to the current minister's comments that international assistance, that CIDA, would be about opening new markets for Canada.

Do you still think that the majority of Canadians generally still have this long-term and selfish view of what Canada could do in the world?

•(1230)

The Chair: Mr. Cornelius, that's all the time we have but I'm going to let you have a quick response.

Mr. Jim Cornelius: Those whom I talked to are very clear that they see the aid program as being about making a difference for the poor. We have many other programs that deal with Canada's interests. That's not to say that the development of the economies in the countries in which we're working does not provide benefits to Canada in the long term. As long as the aid program is not subordinated to these other objectives, there can be complementarity. We need to keep our eye on the ball.

The Chair: Thank you very much.

Mr. Dechert, you have seven minutes.

Mr. Bob Dechert: Thank you, Mr. Chair. Thank you, gentlemen, for your testimony and sharing your expertise with us this morning.

Mr. Cornelius, given that the Foodgrains Bank is a faith-based organization, I guess being agnostic is something that's pretty rare for you. But I'm a little confused because I read a report by QMI Agency, which I think was taken from a press release issued by the Foodgrains Bank last week, the subtitle of which is "Foodgrains Bank supports amalgamation", and it goes on to read:

At the Foodgrains Bank we support this legislation. It will guide the amalgamation of Canadian International Development Agency (CIDA) and the Department of Foreign Affairs and International Trade (DFAIT) into the new department of Foreign Affairs, Trade and Development.

You're quoted as saying:

We are pleased that reducing poverty in developing countries is clearly specified as a responsibility of the Minister for International Development, and that the legislation puts the Minister on equal footing with the Minister for International Trade. We are also pleased that the Department's vital responsibility for providing humanitarian assistance during crises is specified.

I take it the hairsplitting is that you're agnostic on whether the amalgamation is the right thing to do but you think the legislation we're looking at today does a good job of putting forward the amalgamation or bringing together the two departments so they can continue to address Canada's priorities with respect to international development. Is that correct?

Mr. Jim Cornelius: Yes, I think you've captured the nuance there. As politicians around this table, you'd be well aware that what's written in headlines and what you say are not always the same thing. We have been very clear. We weren't saying we had a strong view on whether the amalgamation was good or bad. But given that a decision was taken to amalgamate, then let's make sure we get it right. We think this legislation has some of the key things in place. There's a clear focus on poverty, there's a mandate, there's a minister with a clear mandate, and there's a deputy minister.

We think those things are important structural issues that we can support.

Mr. Bob Dechert: I would take it then that it would be a good idea for all members of Parliament to vote in favour of this legislation because it does the right job in merging the two departments.

I understand the Canadian Association of International Development Professionals apparently have said that:

...the intent expressed in Thursday's budget to enshrine CIDA's work and the position of the Minister in law. This can only strengthen and raise the profile of development assistance as a strong reflection of the importance Canadians attach to supporting underdeveloped countries.

Are you a member of the Canadian Association of International Development Professionals?

Mr. Jim Cornelius: In a previous incarnation I was, but not currently. That's largely an association of consultants who work in the field, as opposed to organizations.

Mr. Bob Dechert: So the organization isn't a member but individuals are. They certainly seem to also agree that it's a good thing and they're happy to see that the developmental goals are enshrined in law through this particular legislation.

I'm going to turn to Professor Munro. Professor Munro, you mentioned how the private sector can work cooperatively with government in helping to achieve Canada's development goals. I think you said it can be a win-win-win proposition. You probably also know that this committee recently did a study on private sector involvement in the delivering of developmental aid.

In your view, how would the merger of the Department of Foreign Affairs and International Trade and CIDA assist in better utilizing private-sector partnerships to achieve our development goals?

• (1235)

Prof. Lauchlan Munro: It depends on how you do it.

In these organizational restructurings—and I've been through I don't know how many in my career, but a fair few—the devil is always in the details. You have very able transition teams being assembled. I know quite well two of the three senior public servants who just appeared here. They're highly competent professionals. I'm not privy to what their discussions are behind the scenes about how they're trying to build synergies.

I'm struck by the fact that most of the conversation, in the public sphere at least, has been about alignment between foreign affairs and CIDA, and the issue of international trade and private sector development and corporate social responsibility has received relatively less attention. Like you, I think it's a question that probably deserves a more thorough public airing. If I were a member of this committee, I might ask some detailed questions on how the transition is being designed so that the private sector can play a role, a greater role or a more effective role or a more appropriate role, in Canada's aid program, because as I suggested in my remarks, I'm not against the private sector per se, but anyone who wishes to work with the private sector should pay careful attention to which parts of the private sector they work with.

There are many ethical legitimate businesses who only want to get on and make a profit, and that's fine. Some of them are fly-by-nighters and my friends in the private sector are a little bit worried at times that an unconditional support to the private sector through the aid program may benefit the fly-by-nighters, and therefore ruin the Canadian brand for the legitimate Canadian private sector that simply wants to obey the law and go out and make a decent profit.

Mr. Bob Dechert: You would agree that, if done right, a closer coordination between foreign affairs, trade, and development could result in a better utilization of private-sector partnerships, if it were done in a correct manner.

Prof. Lauchlan Munro: It could. The devil is always in the details. When doing such things you always have to remember the text of the act, assuming the act is going to pass more or less as it is, that the objective of aid is sustainable international development. That doesn't mean rapaciously attacking the environment—

Mr. Bob Dechert: That's enshrined in this new legislation.

Prof. Lauchlan Munro: —poverty reduction, and humanitarian assistance. You may want to nuance the private sector participation

so there's a little more of it here and a little less of it there. It's not a panacea for all our ills.

Mr. Bob Dechert: As you heard earlier, we have some pretty skilled professional civil servants here looking into these things and we have commentators, such as yourself. I'm pretty confident we'll get it right, with your assistance.

Thank you.

The Chair: Thank you. Thank you very much.

Mr. Easter, seven minutes, sir.

Hon. Wayne Easter: Thank you, Mr. Chair, and thank you, gentlemen, for two very in-depth presentations.

To listen to the parliamentary secretary, you'd think this bill was the ultimate in perfection. We don't believe it to be the ultimate in perfection. We believe there are some changes that probably need to be made. I think both of you in your presentations outlined where some of those areas would be. I would say we're disappointed as well that it's not a stand-alone bill but part of an omnibus budget bill that in many areas we can't support. That is too bad but it seems to be the way this government operates.

Mr. Munro, I think you mentioned your concerns about Canadian humanitarian assistance being in line with Canadian values and priorities. You made that point. Mr. Cornelius, you talked about it being in line with Canadian priorities, which can be different things at different times. To get around the concern on those two points, would it help if the legislation actually made reference to the Official Development Assistance Accountability Act? Would it help if we specifically point to that legislation, in its entirety, as an overarching mandate for CIDA under Foreign Affairs?

I direct that to both of you because you both raised concerns in two different ways.

• (1240)

Prof. Lauchlan Munro: I think by not having a direct reference in this piece of legislation to the Official Development Assistance Accountability Act, Parliament may be creating, if not months of work for future generations of lawyers, then certainly hours and hours of work for future generations of federal public servants, as they try to figure out which part of their daily life is regulated by which piece of legislation. I find the lack of a link between the two curious at best.

Would merely linking the two answer my concerns about humanitarian assistance? No, because the Official Development Assistance Accountability Act is silent on those issues. My personal preference would be a requirement that Canadian humanitarian assistance be delivered in a manner consistent with international humanitarian principles, and that those principles be a well-understood part of international common law.

Mr. Jim Cornelius: On the humanitarian assistance issue, I don't think reference to the ODA Accountability Act would be helpful, since it's silent on the humanitarian assistance issues.

Vincent Rigby, in earlier testimony, made it clear that Canada is committed to delivering humanitarian assistance according to recognized humanitarian principles. That has been what Canada has been committed to. When we see no reference to that in the legislation, and then we see a reference to being linked to Canadian priorities, it does raise some concerns. We think that's very easily fixed. Simply make sure there's a clause ensuring that Canada's international humanitarian assistance will be delivered in line with internationally recognized humanitarian principles. That's the current practice, and it's a way of strengthening the legislation. That's what we would recommend.

Hon. Wayne Easter: So we have those words on the record if somebody wants to pull them up.

There is a second thing that there seemed to be agreement on, and I might not have the words quite right. Either I never wrote them down or I can't make out my own writing. I believe Mr. Munro said that the principle of adherence to commonly accepted principles of aid and development needs to be in there so that the minister is held to account on matters of international aid. Is that what you're saying?

Prof. Lauchlan Munro: I believe that was what Jim Cornelius was saying.

My own view is that such reference—and there is a similar reference in the Official Development Assistance Accountability Act—is inadvisable. That's my view. What's good aid practice is a moving target. We learn all the time. We learn from our mistakes. We learn from our successes. We study what other people are doing, and hopefully we get better. But legislation tends to last years and years, and it tends to last longer than the things we learn.

So if you enshrine a particular set of learning, and ones that are contested—and I'm on record as being a skeptic about the Paris declaration, which is referenced in the Official Development Assistance Accountability Act—if we enshrine those in legislation, we risk requiring ministers to adhere to a set of principles that may become obsolete in the light of what we learn. I don't think that's a good thing.

Hon. Wayne Easter: Mr. Cornelius.

Mr. Jim Cornelius: Yes, I think I would agree that I wouldn't want us to list all the principles in the act, but some reference to a statement like “commonly accepted principles of aid and development effectiveness” would allow for the constant evolution of those.

There are some standards out there that get developed, they evolve over time, and those would be something that you would draw on. But you don't list them right now in an act, because I would agree those principles evolve over time as we learn more.

• (1245)

Hon. Wayne Easter: The other area there is, as I said to the earlier witness, a concern out there at the moment, especially with providing aid through mining companies, etc. Whether it's right or wrong, that concern is there, and so there is a risk. How do you—

Ms. Lois Brown: I have a point of clarification.

The Chair: Sure.

Ms. Lois Brown: We don't put aid through private companies. We work with NGOs. The money does not go to private companies.

The Chair: Okay. Sure.

Hon. Wayne Easter: Now, Mr. Chair—

The Chair: Anyway, Wayne, that's all the time you have. Finish your comment.

Hon. Wayne Easter: The parliamentary secretary can argue but doing it indirectly is basically the same way as doing it directly. You are providing it through them. My question was, how do you limit that risk?

The Chair: Answer very quickly, please, because we're out of time.

Jim.

Mr. Jim Cornelius: To us, you limit the risk by having a clear mandate for poverty reduction in terms of the aid program, and therefore that becomes a screen through which all sorts of interventions can be assessed.

The Chair: Thank you very much. Thanks for keeping that short.

We're going to start our second round, which will be five minutes for questions. I think we can get the full round in.

We're going to start with Mr. Van Kesteren for five minutes, please.

Mr. Dave Van Kesteren (Chatham-Kent—Essex, CPC): Thank you, Chair.

Thank you for being here.

Somebody mentioned South Sudan. The chair and I travelled to South Sudan. I love South Sudan. I get pumped when I see South Sudan. It's the poorest country in the world, but I get pumped about these people. I think they have the potential to do incredibly great things, and I'll tell you why.

I see people there who are just biting at the bit to get into business, to go to work. There's just this frenzy of activity, but it is such a wretch. They've been fighting for 40 years. They have no infrastructure. There are no lines. If you want electricity, you have to get yourself a generator.

We travelled to a farm, and that's the reason we went, actually, to visit a group of Canadian philanthropists who are trying to introduce modern farming techniques. They import all their food, and yet they have the ability to not only feed themselves but probably feed that whole region. It's incredibly rich.

I'm not telling you anything you don't know, Mr. Cornelius.

When I look at that and I see that incredible opportunity, I get frustrated at the status quo.

I'll tell you why I get frustrated. When we went to Juba, there were lots of cars driving around, but they're all NGOs. The UN had all their trucks flying by, and everything. The government is completely hamstrung because they can't do anything. If they're going to get any money, they have to listen to what these fellows are saying. Yet these people are literally sitting on a gold mine. "There's gold in them thar hills", and there's copper, but there are no roads and there's no infrastructure.

Maybe I'm a little bit naive, but here's the way I see it. As Canadians, we could help those people. We could help them get into those copper mines and those gold mines. We could introduce them to companies. Here's where international trade comes in. We're going to introduce you to a company, Goldcorp, or something like that. By the way, these fellows are not here for the same reason. They're not here because of humanitarian aid. They're here for profit. But there's going to be a spinoff, and the unguided hand is going to go to work like you would never believe. We could see an infusion of wealth into that country.

Like that NDP farmer and that Reform farmer, I understand there are two opinions here. But doggone it all, we have tried the other method. I haven't travelled as extensively as you have, but I've been to Ghana, for instance, and I've seen projects that don't work and I've seen projects that do work, but inevitably, the private sector has to get involved.

I'm going to tell you one other story, because we're tying this thing all into Foreign Affairs. Turkey is a Muslim country. It's a moderate Muslim country. I think it's the gateway to the Muslim world, and they're involved in aid work, too. They're really successful with other countries. They're not really successful with Christian countries like South Sudan, but they're working within North Sudan. I shouldn't call it North Sudan—Sudan. What an opportunity we could have, as soft powers, if we started to work with Turkey. They have enough oil up there. I think it's the third-largest reserve in the world, and it's just sitting there. The poor people in the north, they have no money because it won't flow that way, and the south....

But if we could work with Canada and Turkey, and get these two countries together, now, see, we're working with CIDA, we're working with International Trade, and we're working with Foreign Affairs. Doesn't that just make a whole lot of sense?

This is one example where we could set the world on fire in a place like Sudan, and I believe we could ultimately change that whole area of Africa. The people are ready and they have everything they need right there at their doorstep, but nobody's exploiting it.

Are we wrong to suggest that, or even to dream that kind of a dream?

• (1250)

Mr. Jim Cornelius: You're not wrong to dream it. The potential of South Sudan is enormous, both in terms of its agricultural land and its resources. It's critical. The key thing that we've learned over many years, of course, is that the governance structure has to be put in place and the infrastructure has to be put in place. We can give you as many examples of places where there's good land and good resources and lots of companies are involved, and poverty is not reduced because of the governance structure and who captures that

wealth. Unless there's good governance put in place to ensure that the benefits go to the whole population—

Mr. Dave Van Kesteren: Pardon me for interrupting, but if we have some control, if we're going to say, "Listen, we're going to help you, and we're going to help you develop this country. We're going to help you get along with your neighbours...the end goal, but there are going to be strings attached. If this money starts flowing into government coffers, then we're going to stop this thing. And not only are we going to stop this, we're going to stop the development, we're going to stop the...," doesn't that make sense? If we do this, on the one hand—

The Chair: Mr. Van Kesteren, I have to call you on time. That's all the time you have there, sir.

We're going to turn it back over to Madame Laverdière for five minutes, please.

Ms. Hélène Laverdière: Thank you very much.

[*Translation*]

As I said during the first hour of the meeting, we firmly believe that this measure would have been worthy of a separate study, instead of being included in an omnibus bill.

[*English*]

To come back to public-private partnerships, something that strikes me very often is that we talk about private companies. When we're talking about private companies, for a lot of people, and notably the government, it seems to be exclusively big Canadian companies.

If we look at the U.S. models for public-private partnerships—and I think the U.S. is a model in the world—they work not only with their national companies but they work with Canadian companies, Australian companies. They don't need to work specifically with Canadian companies.

Also, some aspects we seem to be forgetting or we see as just a kind of spinoff are small and medium-size enterprises in developing countries, which are very often the main motor for growth, far more than a mining company, for example, that comes for a few years and then leaves.

Do you think that working not only with Canadian companies but with companies from around the world, including developing countries—and I'm coming back to your two farmers—would make a difference for the two farmers?

Thank you very much.

Prof. Lauchlan Munro: There are a couple of things.

Yes, working with the private sector doesn't necessarily mean working with large multinational corporations. It can mean working with small and medium-size enterprises. It can mean working with co-ops, mutual associations, caisses populaires. That kind of private sector enterprise has deep roots in many parts of this country. Coming from Saskatchewan, I recognize the importance of the co-op movement.

To go back to the previous question from the government side, I think it is largely a question of institutions and governance. It's one thing to allow a mining company into a place, but what happens to the revenue? Are there good financial controls in place in the authority collecting the revenue? Are there regular audits? Is there public scrutiny, through the media, of the accounts? Those sorts of things.

The record of resource-based development is actually a lot less optimistic, sir, than you might think. There's a large amount of literature on a thing called the resource curse. You get too much wealth too fast, and you don't have good ways of spending it, and the money gets stolen or wasted. That's a story we've seen many times before.

I think it's important to do the homework of building institutions and building governance structures in places like South Sudan and elsewhere, so that there's a fighting chance that, whatever revenue comes in, whether it's from mining or anything else, will have a chance of being used well.

As we promote the private sector, big, middle, large, for-profit, cooperative, or whatever, we must also bear in mind those same sorts of lessons. In fact, I would suggest that small-scale agriculture is a very viable way forward for South Sudan, in large part because it creates a lot more jobs than mining ever will.

• (1255)

Mr. Paul Dewar: I just want a quick question, Mr. Munro.

You mentioned earlier what you would ask of our committee, so I'm going to turn the table on you and ask a question on the relationship between International Trade and CIDA as we look forward to what's going to happen when things amalgamate.

You were referencing CSR and how that relationship or interplay between CIDA and International Trade could happen. Do you want to just elaborate on that?

Prof. Lauchlan Munro: I think I've said my piece on that. The devil is in the details. It can be made to work, especially if it can be made to work in a way that supports poverty reduction, supports sustainable development, promotes Canadian values of the rule of law, democracy, and human rights, which I hope everyone in this room supports. Then I'm sure that clever public servants can design the appropriate bureaucratic mechanisms.

Mr. Paul Dewar: I believe you're saying the outcomes would affect our friends at the trade department as much as they would affect everyone else.

Prof. Lauchlan Munro: Absolutely.

The Chair: Thanks, Paul.

We'll finish up with Ms. Brown.

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

I'd like to clarify for people who may be reading these things in the blues and for some of our visitors here that CIDA does indeed work with many organizations, but our money goes to NGOs. I use the example of WUSC who are working in Burkina Faso with Barrick Gold, where WUSC is responsible for providing the programming to ensure that the people who are engaged with

WUSC are developing real skills that will be useful in the greater economy.

One of the things that we've talked about today is the long run. I look at this in the long run, and I would suggest that the objective of any development dollar ought to be that we want to work ourselves out of business. That ought to be what we are looking for in the long run. The long run may take two decades. You talked about the curse of resources. What we need to do is to really help these countries take care of these resources in the most efficient way for their own economy.

I was listening to the six o'clock BBC news this morning, and they had a commentary on the Asian tigers who are losing their shine in light of the African lions that are emerging. When you see what these countries are becoming, there is such great opportunity for them. It means for us that working ourselves out of business will really be something we can achieve in our lifetime, and that ought to be our objective.

I had the opportunity to speak two weeks ago at the Canada-Nigeria investment conference at the Royal York Hotel in Toronto. There were over 400 people from Nigeria who were here to look at opportunities for investment from Canada, and there were Canadian companies present at that conference looking for opportunities to invest in Nigeria. So it's going both ways. Development is very different today than it was in the 1950s, when many of these humanitarian organizations were set up, so we have the opportunity to make some changes.

A week ago Friday, both the Chair and I were fortunate to have the opportunity to speak at the North-South Institute, which is looking at new development opportunities for companies in both Canada and Africa to see these economies grow and emerge. I simply think there's great hope there, I really do.

When we look at what we are doing to merge our development dollars with our foreign affairs policy... I guess, Mr. Munro, the first thing I would ask you is whether you think in the long run that Canadian values are going to change. We've talked about freedom, democracy, human rights, and the rule of law. Do you think those values are going to change, and do you see there is the potential within another government administration to change those values and what we're trying to do in development, in the long run?

• (1300)

Prof. Lauchlan Munro: I would like to be able to agree with you that those are Canadian values, but the only legislated definition of Canadian values that I know of is in the Official Development Assistance Accountability Act, section 3:

"Canadian values" means, amongst others, values of global citizenship, equity and environmental sustainability.

Ironically enough, that definition of Canadian values was provided as an amendment by the Bloc Québécois. I was present when that definition was moved.

Some voices: Oh!

Ms. Lois Brown: But if we are signatory to that piece of legislation—

Prof. Lauchlan Munro: Well, Parliament has adopted that piece of legislation. That's the only legislated definition of Canadian values that I know of. But I would agree with you that democracy, human rights, justice, and the rule of law are fundamental Canadian values that I hope everyone in this room agrees on, and that they would be relatively enduring.

Ms. Lois Brown: In other words, these two pieces of legislation work in tandem, because we already agree to the development part of that.

Prof. Lauchlan Munro: As I said before, I'm not entirely convinced they work so well together. Certainly, this government

talks about democracy, freedom, human rights, rule of law—and I see opposition heads nodding in agreement—but that's not what's in the legislation.

The Chair: That's all the time we have.

To our witnesses, thank you very much for the discussion today. We appreciate it.

With that, I'm going to adjourn the meeting.

Thank you.

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