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Chair

Mr. Dean Allison

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● (1105)

[*English*]

The Chair (Mr. Dean Allison (Niagara West—Glanbrook, CPC)): Good morning, everyone.

Pursuant to Standing Order 108(2), we are studying the subject matter of clauses 174 to 199, 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 witnesses here today and thank them very much for coming on relatively short notice.

We have Paul Chapin, who is here as an individual.

We have Colin Robertson, who is the vice-president and senior fellow with the Canadian Defence and Foreign Affairs Institute.

Then we have Lucien Bradet, who is the president and chief executive officer of the Canadian Council on Africa.

We'll start with Paul.

We'll move across with our remarks, and then we can get to questions. We have an hour and a half. I believe we have a 10-minute opening statement from each of you. If we could try to stick within that, then we can follow it up with some questions over the following hour.

Paul, I'll turn it over to you, sir.

Mr. Paul Chapin (As an Individual): Thank you very much, Mr. Chair and honourable members.

It's an honour to be here before you today. My background is 30 years or so in the Department of Foreign Affairs, largely in the international security field, but I've also spent time in other government departments. I was a consultant for quite a few years. I was vice-president of the Pearson Peacekeeping Centre. Recently I've been associated with the Conference of Defence Associations Institute. So I hope I bring a broad perspective, both from the public and the private sector, to what I think is a very interesting issue.

My reading of the situation allows me to draw five conclusions. Let me go through them very briefly, and then I'll elaborate.

The first conclusion I draw is that the government intends henceforth that the priority for Canadian aid policy be international development rather than poverty alleviation. International development is a larger concept and it incorporates poverty alleviation, but I think the adjustment is consequential.

Second, we're talking about a construct here that is one department with three business lines, not three departments under a common roof.

Third, if it's to work, they need a common script of some kind. The Government of Canada needs to articulate an international affairs strategy that explains the larger context in which these three business lines are to operate individually and collectively.

Fourth, I know this has been argued, but there's no reason to believe we're talking about a hostile takeover of CIDA by Foreign Affairs. I think there's a great deal for everybody in this, and I don't think that taking an unnecessarily negative view of it is particularly constructive.

Finally, in the final analysis, and this comes from my consulting experience, people are going to make this work. Structure and reorganization are not going to cut it by itself.

Let me go over those five points very briefly. The transition arrangements outlined in Bill C-60 are pretty straightforward, and there's no reason for me to outline those to you today.

What I see, though, in the language is an important refocusing of the aid effort, or at least the $4 billion that has traditionally been CIDA's budget, being cast into a broader international development framework, rather than the more traditional poverty alleviation/poverty reduction vocation that CIDA has aspired to. If you read the CIDA mission statement, if you look at the ODA Accountability Act, you'll see a very strong bias toward poverty alleviation. In this draft bill I see a raising of the issue beyond poverty alleviation to put the focus on a broader international development agenda.

The second point is that what's proposed fundamentally is a repositioning of an important federal asset. CIDA and its highly efficient staff and its very large budget are to be put more at the service of a broader federal international strategy to pursue the foreign relations of Canadians in a broader context.

Let me explain why I think some of the suggestions that I have read about the previous testimony might be just a little off base. As I read the draft legislation, the duties of the Minister of Foreign Affairs have expanded from what they were under the previous Department of Foreign Affairs and International Trade Act. In those previous iterations, the minister's responsibility was to control and supervise CIDA. He or she is now responsible for fostering international development, poverty reduction in developing countries, and humanitarian assistance.

● (1110)

The functions of the minister have gone from supervision and control of an outside entity or an agency to being directly involved in policy and programming. I think these same duties that are now assigned to the Minister of Foreign Affairs are also assigned to the new Minister for International Development, not International Cooperation.

The plain language of the text also indicates that the Minister for International Development and the Minister for International Trade are to assist the Minister of Foreign Affairs and to operate in concurrence with the Minister of Foreign Affairs. So there's no question in my mind of three ministers with equal status. That's reinforced by looking at the duties assigned to the deputies—the same hierarchy emerges from that discussion. So the net effect is one department with one minister and one deputy minister, assisted by other ministers and other deputy ministers.

The third point is, if this is to work, that the government needs to articulate, at least in broad terms, what it's hoping to achieve, not necessarily through the restructuring, but in its international agenda. That articulation has yet to appear in any form other than periodic presentations the Prime Minister might make in a speech to an international gathering.

I don't think this articulation should be a one-time thing. On arriving in office, democratically elected governments are entitled, indeed expected, to lay out their vision for the future. This vision may well differ, in degree or in kind, from that of the predecessor. I think in a democracy that is a good thing. The genius of the democratic process is that the people get to change their mind and change the direction of their country as they wish.

So I'm not advocating one international policy statement forever. I'm advocating the commencement of a practice where new governments lay out their policies. They don't have to do a big policy review every time, but they should at least lay out what they're planning to do.

Why do I not think this is a hostile takeover? First, I don't think CIDA has ever belonged to anybody but the government and the people of Canada. It doesn't belong to the people who work there. Second, I think CIDA has a great deal to gain from this merger. Its budget has grown, but I'm not sure its standing in this country has grown very much over the years, even in Parliament. I think one reason for this has been its tendency to take a view that is rather detached from other things that are going on.

As our colleague Scott Gilmore reported in, I think, *Maclean's* magazine, he once had a discussion with a CIDA staffer who made the comment: “It may be a government of Canada priority, but it is not a CIDA priority.” It's that kind of mindset that has imbued a lot of CIDA thinking about its place in the larger system.

I think as it moves into the new structure, CIDA rejoins the mainstream. That means it can play in a bigger game and aspire to having a dramatically greater impact in the field that is its business line. I think also the government as a whole wins. We've talked a great deal about 3-D and whole-of-government operations. This proposal helps to knock down the bureaucratic silos that have prevented those aspirations from being realized.

Let me make one point about CIDA's branding and CIDA's persona. I think it would be unfortunate if it disappeared from view. It's brought a lot of credit to Canada over the years. So notwithstanding the restructuring and the merger, I think there's a requirement to look at a way in which CIDA can be branded internationally. At least two examples come to mind: one is USAID, and the other is AusAID. Maybe we should be considering CanAID. It could certainly live under the structure that we're talking about.

● (1115)

Finally, reorganizations are dangerous. They aspire to improving matters, but the disruption they produce and the productivity losses they cause make a shambles of the great majority of reorganizations. In my experience, it's better to give good people licence to get around bad structure than to try to fix the structure. That said, we're proposing a new structure, and I think you have to make sure you have the right people to get the transition completed, and then you have to get the right people committed to working the new structure.

Thank you, Mr. Chair.

The Chair: Thank you very much.

Mr. Robertson, sir, you have 10 minutes.

Mr. Colin Robertson (Vice-President and Senior Fellow, Canadian Defence and Foreign Affairs Institute): Thank you.

My name is Colin Robertson. I served in the Canadian foreign service for more than 32 years. I am currently vice-president of the Canadian Defence and Foreign Affairs Institute and a senior advisor with McKenna Long & Aldridge, a Washington law firm. I work through them with the Canadian Council of Chief Executives. My volunteer activities include sitting on the board of Canada World Youth, which is funded by CIDA.

That said, my remarks are personal and do not represent any of these organizations.

I support reintegration of CIDA and Foreign Affairs into International Trade because I believe by linking the three critical policy levers of diplomacy, trade, and development, we'll get better policy coherence in advancing Canadian interests abroad and advancing our development outcomes. I think the nexus of development, diplomacy, and trade works very well, and that's how we try to do policy back in Canada, but in the field my observation was that sometimes CIDA operated separately. In my view, this did not serve our international interests, and it often confused, particularly those with whom we were dealing.

The short-term problem, and Paul addressed this, is how we deal successfully with the integration of CIDA into DFAIT.

Past experience with reorganization is not encouraging. The severing and then reintegrating of the trade part of the department in the early 2000s sapped energy. The best talent was devoted not to advancing the national interest but to moving boxes around in what was a rather painful and draining bureaucratic odyssey.

Development that creates the conditions where development assistance is no longer needed is the outcome we seek to achieve. Closer collaboration with the private sector, always a central theme of our international policy objectives, should be reinforced with the reintegration of CIDA into DFAIT.

I'm going to put my questions to you around four baskets: accountability, foreign policy, trade, and values and interests.

In terms of accountability, will DFAIT be ready to administer a fivefold increase in its budget? That's significant. I would refer you to work by Barry Carin and Gordon Smith, both formerly of the department and now working with CIGI at the University of Victoria, on the millennium development fund. They are looking at accountability standards as to how you ensure that you're getting full value for aid broadly, and I think that's something we need to pay attention to.

With an extra $4 billion of the people's money in its wallets, will the new foreign affairs and international trade and development department's culture be up to the task?

CIDA has embraced results-based reporting and open data. Will the new department embrace this approach?

The challenge of integration is getting it done without handicapping operations or shortchanging policy development, always a problem with any kind of integration. You, as members, need to get from the department a timetable, with benchmarks, for reintegration and clear communication as to who, what, when, and, most importantly, why this is all going to take place.

The second basket is foreign policy. It's one thing to say we're going to align development to foreign policy interests, but in doing so, are you de facto reviewing your foreign policy? An example is the information technology shops in the merging of the DFAIT system. In the DFAIT system, Africa missions are put at the bottom of the priority list in terms of upgrades and modernizations. For CIDA, the place is at the top, and appropriately so. So how do you fix that?

At the level of foreign policy, will integrating CIDA transform Canada's foreign policy priorities geographically? Will Africa, for example, be at the centre of Canada's next generation of global relationships? How, for example, do we now deal with China? China ceases to receive Canadian development, becoming a player itself. How are we going to work with China, having helped it to achieve a certain degree of development?

On the trade front, how will the new department handle private sector and capital flows? Will integration allow trade deals that enable people to earn more money and create new jobs by exporting to Canada?

Canada is an exporting nation, so three vital policies are necessary: trade promotion, trade policy aimed at trade liberalization, and trade negotiation.

● (1120)

We are underresourced on trade negotiation, just when the world is awash in trade negotiations, bilaterally, regionally, and globally. The Prime Minister, of course, is down in Cali today looking at a new trade negotiation, a Pacific alliance. Again, I think that's a good thing, but we don't have the capacity. Trade negotiating teams need constant input from the private sector, and this remains weak, unlike the free trade agreement and the NAFTA, which I worked on, where we had a very strong system of consultations with various sectors. The private sector, for its part, truly has to step up. It could do more on public-private partnerships. Bringing new ideas and best practices to the table in a practical sense is something the business community should be able to help us with, and I would encourage you to look, for example, at the work on the Pacific Century that's being done right now by the Canadian Council of Chief Executives.

As we proceed with trade negotiations, our foreign aid should strengthen our industry position internationally, including the rights of local youth, women, and local governance. The case of Bangladesh and the garment industry is a case in point.

As for values and interests, which I think are important, but I put them last in my set of questions, the integration of CIDA tests whether our values are in fact interests in disguise. Take, for example, the condition of women and girls. Any state that does not address the condition of women and girls can be neither prosperous nor secure. Does the integration propel our non-geographic foreign policy interests more firmly in this direction? Does Canada now have any choice except to increase development assistance?

Look, for example, to Britain and Japan. Despite government cutbacks, each has increased foreign aid and support, particularly for youth organizations. Japan has developed new youth exchanges with 41 countries, including Canada. In my view, youth exchanges are the best form of soft power because they build a global brand for Canada among young people. We are, after all, a young country. It constitutes the front end, in my view, of building Canadian corporate trends and brands. To do this, I think we need to apply the “can do, own the podium” spirit that we saw exemplified during the 2010 Olympics.

The CIDA of the past perhaps relied too heavily on the voluntary sector to reflect Canadian values in the effort to reduce poverty worldwide. Their collaboration, however, particularly with the mining industry, proved that public-private sector projects can be a win-win for all sides.

Again, I think you need to task the new department to develop a branding approach so that these initiatives are not only coordinated at an execution level, but are also easily perceived and understood by and within the Canadian system. It is important that Canadians understand what we're doing on aid. The Swedes do this well; Australia does this well; so do the Americans.

I think partnering with national companies and countries where we work makes sense. Look at the German model. We can and also should look to the EDC financing. It's creatively Canadian.

In conclusion, the reintegration of CIDA into DFAIT makes sense in terms of better administrative coherence, but the sooner it is achieved, the sooner we can get on to policy development, which is the core purpose of Foreign Affairs. For now the focus needs to be on the administrative efficiency of the new department, and then on the effective delivery of programs that advance our values and reflect our national interests.

On foreign policy itself, that's an issue for another day.

Thank you, sir.

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

We'll turn it over to Mr. Bradet for 10 minutes.

[*Translation*]

Mr. Lucien Bradet (President and Chief Executive Officer, Canadian Council on Africa): Mr. Chair and members of the committee, thank you very much for having invited us.

[*English*]

The Canadian Council on Africa, for those who don't know, was created about 12 years ago. We recruit members who have a clear common objective: economic development in Africa. These members are large and small companies, universities, colleges, the Association of Canadian Community Colleges, provincial governments—Quebec, Alberta, Ontario—and federal agencies—EDC, CIDA, DFAIT. You name them, they're all around the table because they believe very strongly in economic development.

ODA, diplomacy, and trade are the three pillars of our place in the world. Canada ranks well on ODA—maybe not well enough for some, but we still rank quite well. On the diplomatic front, we are not a superpower, and will never be, I guess, but our role in the G-8 and G-20 has made us a significant country. Without trade we'd have to say that we would be in deep trouble.

One might argue that we don't need the merger if we are that successful. We have seen in the last decade a new paradigm evolving in the world that dictates that governments act strategically and develop coherent policies.

A few years ago Canada could count on a major market without fear for its income and so forth—the U.S.A. That's no longer the situation, at least not to the same degree. Canada could count on a regulatory budget increase to be devoted to ODA. The succeeding economic crises have changed that to a certain extent.

The African countries were dependent more on aid than investments to grow and prosper. This is not true anymore. In fact, since 2006, there's more investment than ODA.

A few years ago, Canada at the United Nations had no problem being elected to the Security Council. No more, for whatever reason.

A few years ago, China, Brazil, India, and Turkey were not really present in Africa.

Ten years ago China had less than $10 billion of trade; this year they're going to reach $200 billion—in ten years $200 billion of trade with Africa. In fact, last year China gave as much aid to Africa, $75 billion, as the U.S. Maybe the terms aren't the same, but still it's a reality.

Ten years ago Brazil was exactly the same as Canada, with 17 embassies and $2 billion in business. Brazil now has 32 of them—Canada has a little bit less than that—and they almost tripled their business with Africa. Canada has doubled its ODA in Africa but has reduced the number of countries, and you know that in the last couple of decades—and I say in the last couple of decades, not in the last few years—it has declared a number of times that there should be more coherence between the different elements of its international activities, but none of these has ever taken off. It's a reality. I remember two or three governments back, it was, yes, we're going to do a better job, and, yes, we want to do a better job, but it never took off, for whatever reason.

These new circumstances require Canada to take a hard look at how it makes its decisions and how it develops its strategies on the world stage and ensures that poverty reduction and human rights remain a top priority.

There are a number of reasons why I believe strongly in the merger. One, time has come for the Minister of International Development, the Minister of Foreign Affairs, and the Minister of Trade to be at the same table. We will never be able to do what we are looking for if those three persons don't sit together on a weekly basis and discuss policy. The time has come also for the senior officials from those three organizations to work together and, again, have their management meeting every week to discuss those things. And you know how important it is. If one is absent, it's generally speaking the loser, and in this case CIDA was a loser in many of those instances.

You don't know how many times—and these people will confirm that because they were ambassadors before—I have heard, “We didn't know about this new approach or policy.” I had senior officials saying that to me, or other people, or, “It's not easy to work with them because they don't understand the bigger picture.” One was going to the left, one was going to the right, not purposely, but the way the structure was in place didn't help. How many times did I hear Canadian ambassadors tell me, “ODA is very important, but I have very limited say on establishing the priorities and managing them. It is difficult, nearly impossible, to explain it to Canadians, but even more so to African countries that are recipients.”

The time has come to involve all Canadians in the economic development of Africa, and other developing countries are doing that. Governments, NGOs, and the private sector have responsibilities, but also opportunities to create a better living situation for the people.

● (1125)

In the proposed legislation, we applaud the provision that spells out clearly that the Minister of Foreign Affairs is also responsible for international development, in proposed subsection 10(2). I won't repeat this, because you said that at the beginning. In fact, we will have two ministers responsible for that instead of one, which I think is a win for everyone. This provision is a very positive step to ensure that ODA does not take a back seat in the new department.

However, we believe the proposed act has a couple of weaknesses. My colleagues didn't talk about that. They almost talked about it, but I want to be very precise about this. It's a question of appropriation and budgetary allocations. I'm nervous about that. Many critics have claimed over the years that it's kind of difficult to find out how the money is spent at CIDA. I know there is a blue book and I know there is a budget and all of that, but we have to talk about the reality. With regard to the reality of it, people are saying this, and maybe it's right and maybe it's wrong, but it's a reality.

To start with, the large number of programs and the large numbers of developing countries and multilateral organizations make the reporting exercise quite complex. However, we know that the budgetary allocations of CIDA are spent by CIDA for the CIDA mission. This is a very serious potential issue. I think Canadians will want to be assured that in the new department there are no grey zones when it comes to the use of funds for international development.

I'm sure that some of the people who were here before me made similar comments and arguments. I would not be surprised to see that the largest number of objections are also on that topic. Will there be some fence around ODA money? That is the question. This bill does not provide an answer to this. Yes, the minister needs some flexibility to properly manage the department, the human resource programs, and, as was mentioned, the trade and everything. We do not have a solution to this potential problem, but I think the committee should look at it very carefully.

The second aspect of the financial issue that I'm a little bit concerned about is the policy coherence—and my colleague talked about that—not only within the department but outside the department. I don't know if you realize that 69% of ODA is spent by CIDA, but 31% is spent by others. In fact, there are six other departments and agencies spending ODA money. It's going to be diminished a little bit because about 8% to 9% is spent by DFAIT, so it would be about 75%.

The minister should, in the act, and I'm talking about the Minister with the big “M” and also the Minister of International Development, so I should say the “ministers”.... The ministers should, in the act, be clearly responsible for developing the overall annual plan. You can talk about strategy, plan, and policy, but I think it's important to do that.

I would recommend to the committee to ask CIDA for the changes over the years in the numbers. Many are claiming that the CIDA portion has also been declining; that's something I cannot verify, but maybe the committee can ask the questions of the officials. That 69% was higher before and has been declining steadily. This is a worry that we should be concerned with.

In closing, Mr. Chair, I think my message from CC Africa is that if we are vigilant in the design—and people are very important, because structure is not enough—and the implementation of the merger, and if everyone cares about poverty reduction and human rights, and I do, and about Canada's future, as we've talked about, the quality of the diplomatic agenda will be enhanced, I think.

Our expanded trade will also be good for Africa and Canada in that case. Canada's international help, or ODA, will gain significant influence—that's what we need here—on the development of government policy. Poverty reduction and human rights will still be very important for Canada. It's one of our very important business cards in the world, but business cards also mean private sector involvement and other people involved in Canada.

[*Translation*]

Thank you very much.

● (1130)

[*English*]

The Chair: Thank you very much.

We're going to start with Madame Laverdière, please.

You have seven minutes.

[*Translation*]

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

I would like to express a huge thank you to all three of you for having kindly agreed to come and testify this morning on this important issue. I must begin by pointing out that, unfortunately, the committee can spend only a very short time on this important subject, since it is included in an omnibus bill. Obviously this prevents us from giving it all the attention it deserves. Moreover, there are many witnesses whom we have unfortunately not been able to hear, notably women. Actually, we have not heard from any women during these hearings. I do not have anything against you, though, gentlemen. Thank you again for your presentation.

I am going to begin with Mr. Robertson.

I very much enjoyed your presentation, which was really interesting. Obviously, as a former foreign affairs person, I very much liked the references to what we call people-to-people diplomacy, which has proved to be such an important tool for Canada, a tool that we should continue to use.

I also very much liked the questions regarding funding, in light of what the Japanese and the British are doing. That is very important.

I found some of the points very interesting, for example, regarding information technology. It is easy to say that we are going to act in accordance with our priorities, but CIDA does not always have the same geographical priorities. In fact, it really does not have the same geographical priorities as Foreign Affairs and International Trade. The way in which this is put into operation may be very complex, not to mention the very significant cultural differences between the two departments. Thought must also be given to management tools. Management by results works very well when we are managing programs. However, when we try to prevent a war, it cannot always be applied in the same way.

Sorry, I am talking too much. All this to say that I would like it if you talked a little more about your past experience, when Foreign Affairs and International Trade separated and then merged again.

● (1135)

Mr. Colin Robertson: Thank you for your question. I am sorry I am not a woman but I hope, nevertheless, to be able to answer your question.

[*English*]

Integrations are very difficult.

For those of you who have read *Harry Potter*, it's a bit like a visit from the Dementors, because it sucks all the energy out of the air and it makes things very difficult.

From your perspective as members, and this is not partisan, you want an effective working foreign affairs department. What you have to do is hold their feet to the fire to get on with it. In my experience, and I take this back not just to the trade reintegration and disintegration and reintegration back in the 2000s, if you go back to the commerce department, and of course CIDA and Immigration, which came in in the eighties, and then there was a pulling out of CIDA, and subsequently the foreign service side was put back into Immigration.... My experience is that these things are usually badly handled, they take a tremendous amount of time, and the best brains, as I said, are busy moving boxes around. That's not what you want. That's not going to serve you. That's not going to serve your constituents, to just move boxes around.

What you have to do is have a very clear schedule of how this is going to be done—the who, what, where, why, and particularly the what. What are we trying to do, and how is it going to achieve what we as members of Parliament representing Canadians are going to...? How are we going to achieve a foreign policy?

The Chair: Mr. Bradet, go ahead.

Mr. Lucien Bradet: Yes. I have a short comment.

It's very interesting that you ask that question, because I was the one to oversee, to a certain extent, the trade move from Industry Canada. I was the director general of personnel, and I worked with Tony Eyton for at least two years on all of that.

My experience is that it's very traumatic for the people involved. There's no question about that; it's very difficult. I did that also for DRIE in Industry 20 years ago. I did two or three of those.

In my experience, people are very discouraged in the beginning, but after that they get a new philosophy or a new trend and there is a lot of enthusiasm, because people think they can do things they were not able to do before. There are going to be highs and lows.

It's going to be difficult; let's not kid ourselves. I believe that DFAIT will welcome CIDA people. Are they going to be treated as equals? Not at the beginning, but I think it's going to be a family built up together. The biggest difficulties will be who we put there to make it work. The structure won't solve the problem; it's the people. Mr. Chapin said that very clearly. To my mind, people will make it happen, not the structure.

Ms. Hélène Laverdière: In fact, if I may say so, the structure won't solve the problem. I think it's very important and very to the point here. It's even the position we have taken regarding the merger. As I now like to say, “to merge, or not to merge: this is not the question”. The problems confronted by CIDA right now are of a different nature as to whether or not it is within or outside of DFAIT.

Regarding the precise law, there is something that none of you mentioned, but it is a clear preoccupation for a lot of people. I'm reading one excerpt from the law, and it says that part of the mandate of the minister is to ensure that “Canada’s contributions to international development and humanitarian assistance are in line with Canadian values and priorities”. A lot of people have a bit of a problem with that, with aligning humanitarian assistance with Canadian values and priorities, because we all know that the basic humanitarian assistance principles are humanity, neutrality, impartiality, and independence. There are many organizations that are saying if we politicize, with a small “p”, and put Canadian priorities on humanitarian assistance, it is going to be counter-productive and even dangerous for the people working in the field.

I'd like the comments of all three of you, if it is at all possible.

● (1140)

The Chair: I'm going to have to take one of you because we are over time. Just a quick response, please.

Go ahead, Mr. Chapin.

Mr. Paul Chapin: I'll give you a quick response. I don't think there's any "there" there—to quote President Obama in another context a week or two ago. I don't think you should put any weight, time, effort, or concern on that little bit of language. I think that little bit of language was prepared basically to try to be reassuring. If you are not reassured by that language, the drafters failed in their intent. I don't think they had any notion that somehow they were suggesting a switch in the general approach to humanitarian assistance that Canada has traditionally taken. It's not a zero-sum game here.

The Chair: Thank you very much.

Mr. Dechert, sir, seven minutes.

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

Gentlemen, thank you for being here this morning and sharing your considerable experience and expertise with us. I'd like to start with Mr. Chapin.

Mr. Chapin, you mentioned you had 30 years of experience in foreign affairs, especially in the field of international security, which I think is very interesting. Also, you mentioned that in your opinion it will be the people who will make it work. As a lawyer who practised in the area of mergers and acquisitions for 25 years, I agree with that statement. It's always the people who make it work in the merging of any two great organizations. I know that we have great civil servants here, and I'm very confident they will make it work.

I want to draw on your experience as an international security expert, if I may. You wrote in the *Ottawa Citizen* that "Canada's modest and tentative responses to the end of the Cold War and the 9/11 attacks tell the story of why CIDA needs to be brought back into the fold."

Can you elaborate on that point and explain how amalgamating DFAIT and CIDA could assist Canada's overall responsiveness to such tragic and historic events?

Mr. Paul Chapin: Certainly. Let me just tell you that I wrote that article sitting at a kitchen table in a condo in Florida after the *Ottawa Citizen* had twigged me about it: "There's a debate going on here; you might not have heard. Could you say something about this?"

I looked at two examples from my personal experience as to why I had been disappointed, in my jobs, with what CIDA brought to the table to help get those jobs done.

The first one had to do with the end of the Cold War, the destruction of the Soviet empire, and the sudden emergence of two dozen small, vulnerable countries, all of which were quite capable of being captured by either old communist or new fascist movements.

I was down at the embassy in Washington at the time—I don't know whether Colin was there as well, in 1989-90—and it was clear to many of us that we needed to do something to bolster the democratic and economic processes in these tiny little countries, many of which had no experience in self-management.

The appeals that went out to CIDA were uniformly rejected on the grounds that CIDA had its list of priorities. It was in the poverty reduction business, and while these might be good causes, they weren't CIDA causes.

Foreign Affairs hence had to go and scrounge for money elsewhere, with appeals to Finance and other people. Finally Prime Minister Brian Mulroney prevailed. He actually gave a speech announcing a program for eastern Europe that nobody much knew about in Ottawa.

It was how you got around the policy process to get something started, and that process worked quite well. It was called Renaissance Eastern Europe, and it ran for eight or nine years before CIDA took it over.

Now, did Foreign Affairs suddenly have the in-house expertise to do that? No. Where did they go and get it? From CIDA.

In fact, many people, when CIDA was moving over to take control of it, then took Foreign Affairs people over to CIDA. They crossed the bridge to go and work on Renaissance Eastern Europe.

It was an example of how policy differences and institutional gaps between the two institutions prevented what would be the normal solution. You had to do a workaround.

The same thing happened in Afghanistan.

● (1145)

Mr. Bob Dechert: I was just going to ask you about Afghanistan.

Mr. Paul Chapin: That's not a traditional CIDA operation, but they were slow to ramp up for that thing.

Mr. Bob Dechert: Do you think the way we approach Afghanistan could be enhanced by this amalgamation, by bringing together these streams of activities?

Mr. Paul Chapin: I have no doubt about it. First of all, there's one minister instead of two or three, and one institution instead of two or three. They work these things out in-house at the ministerial level, but long before that at the deputy minister level, at the ADM level, at the DG level, at the working level. They come up with plans and programs and present them.

As Afghanistan evolved, as we saw—I was involved with many of these things—after a little while you couldn't go to cabinet without getting three ministerial signatures on your memorandum to cabinet proposing something, or three ministerial signatures on your Treasury Board submission. That forced these units to work together.

From my perspective, this proposal simply normalizes what ended up being a series of ad hoc, sensible approaches that developed.

Mr. Bob Dechert: Thank you very much.

I'd like to ask Mr. Robertson some questions.

In your letter to the *Globe and Mail*, you stated that the philosophical shift that's being proposed here is not unique to Canada. You mentioned other international countries, such as Britain, Australia, New Zealand, and other European countries, that are moving toward the same objective.

Could you give us a view of what international thinkers, such as Dambisa Moyo or William Easterly, are saying about the future of international aid, and how this amalgamation ties into some of the things that are being talked about among international academia on this subject?

Mr. Colin Robertson: Certainly. There has been a sort of rethink about development assistance. We've put close to $1 trillion into it, and the results are not what we intended. So we began to have people ask what's not working.

Dambisa Moyo, Paul Collier, William Easterly, and others began to say it wasn't good enough to just send money into a place. What you're trying to do is develop skills and what I would call "sustainable jobs".

The argument is that the private sector has to play a bigger role in this. We have a lot of foreign investment in Canada that creates jobs, and we should be doing the same in Africa. The private sector is now moving in that direction—the jobs that provide the sustainable development that we seek to achieve are largely being driven by foreign investment, working with the government at home. It's not the pure development as we saw it in the past.

That's a philosophical shift in thinking on how we've done aid for the past 50 years. We have a lot of opportunity. Think of our mining companies, which are extremely active. The Prime Minister just announced today in Peru—and he's going on to Colombia—that we have opportunities.

We have an actual place and standing if we choose to use it. This takes us into social corporate responsibility. There are areas like labour, the environment, and respect for women in which we can make a shift in things. It is harder to do, but it is doable.

I want to make one last comment on integration. I have a very practical suggestion. Do not leave CIDA "siloized" on the other side of the river. My view would be to take the African bureaus and put them all together. Take the trade, the policy.... In my experience—and Paul lived through this as well—when you put the two together, cheek by jowl, and we did this in the early 1980s, it means that you lunch together, you walk down the hall and you talk together. The worst thing we can do in this integration is to leave the silos.

The Chair: Thank you very much.

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

Hon. Mark Eyking (Sydney—Victoria, Lib.): Thank you, Chair, and my thanks to you gentlemen for coming.

I'm going to start off with what has been mentioned. I think you talked previously, Paul, about these logjams and inefficiencies, and how you had to go through different ministers. We're talking about this new super department and one minister is in charge, and you have deputy ministers. Why wouldn't we just get rid of the CIDA minister? We could save the limo and save all the staff. The parliamentary secretaries could cut the ribbons, and you have department heads there already. Do we really need a CIDA minister? We could save taxpayers a lot of money and we could have even more efficiencies.

● (1150)

Mr. Paul Chapin: The short answer is that you need a CIDA minister, a minister for international development. I'd argue that one of the failings of the legislation is that it doesn't leave open the possibility of a lot more ministers. In the British system, they have six or seven or eight in their Foreign and Commonwealth Office portfolio in addition to DFID.

My sense is that if you're talking about a $2 billion program for Foreign Affairs, and a $4 billion program for CIDA, the more political sensitivity and political control you have over that, the better.

I don't know about the limos, but I would argue for lots of aircraft to have people go to see what's going on all over the world, free and clear. With the political control, you have the prospect of adjusting really quickly. The Minister of Foreign Affairs may not always be available. There are so many standard fixtures on the international agenda every year that you'd better have a whole bunch of other ministers who can go to do things at the ministerial level—to speak for the government, to speak for the cabinet in other countries.

Hon. Mark Eyking: I agree with that. I think there is a deficiency right now in our presence out there, because of not having enough people. We've seen it recently in South Africa.

The second part has to do with the whole $4 billion you mentioned. It's been brought up many times at this committee—the safeguarding of poverty reduction and having that money there. I think there were different statements today having to do with expanding on the grey zones, safeguarding the ODA money, and weaknesses in the act.

How are we going to make sure that is safeguarded? Won't we have to put some amendments in there to safeguard that and to make sure we stay with our commitments and we stay with poverty reduction?

Mr. Lucien Bradet: Yesterday, I was at another debate. There were 200 people, and I had to defend the merger. It was a MUN debate at the University of Ottawa.

I realize that NGOs are not very much in favour of a merger, but if you were to ask me what the biggest concern of the 200 Canadians in the room was, it was where the money will go. How will we track the money down? Is it going to be for other purposes?

Paul did outline the fact that we have to look at it globally, but at the same time, the act must take care of it. I don't know how, and I've said that. I don't know how you fence that, but it should be a little more precise, both within the department and with the 30% around town who are giving money to ODA

The only way you can do it is by having a coherent policy, a strategy that is explained to Canadians, not in a speech but in a document in which we can see what's happening. It's a challenge. You don't want to restrict the movement of that money too much, but you want to make sure it doesn't go all over the place so that in five years' time you have to ask why ODA has gone down from one figure to a lower one. We don't want that. As a Canadian, I don't want that. I work with the private sector, and I don't think the private sector wants that either.

Hon. Mark Eyking: Go ahead.

Mr. Paul Chapin: If I could just make a comment, there have been some legitimate concerns since the financial crisis that ODA is going down or can go down. This has been a concern for 10 years, and ODA has doubled in the last 10 years, so I think there's a little bit of crying wolf about the need to make sure we're protecting this important budget. It's been going up for a long time, and the total for CIDA is about $3.5 billion or $4 billion. The total, according to the Auditor General, for all the other government departments takes it to $5.1 billion. That is a significant amount of money. That doesn't even talk about the $21 billion or $22 billion that DND also spends in some respects related to securing the world for Canadians.

● (1155)

Hon. Mark Eyking: You already alluded to Africa. The present government has been criticized for the lack of work in Africa and for its lack of presence. It has been alluded to that others are investing more in Africa, whether in aid or in missions. A Senate report recently came out, I think by Colin Kenny. He did a whole report on Africa. It said that we have to have more people on the ground, and we should maybe have a bigger embassy somewhere there. I'm not saying a super embassy, but we need to be involved, to be hands-on.

That being said, I think someone also mentioned that it's not just aid; it's investment. This new "super department" might give us an opportunity if the political will and this government's will are there to get back into Africa and to have some sort of presence there, not only to help this continent go through a transformation, but with our own companies and our own NGOs.

If you guys are in charge of the new department, what would you see as some of the real concrete steps that we would have to take in Africa?

Mr. Lucien Bradet: First of all, I want to make sure that the record is straight here. In the last 12 to 18 months, there's been a lot of emphasis by the government in Africa. I have to admit that. I remember three years ago, I was criticizing us for not being there enough. Without announcements, but through their actions, the government has done a lot more. Ministers are there on a regular basis. The Governor General has also been there twice in two or three years. Without saying that Africa is becoming a priority, as we did in the case of South America, that is, de facto, getting to be the case, and I like that very much. That's number one.

Number two, there is no doubt that the pressure of CIDA on trade and the Ministry of Foreign Affairs will play a major role in shifting that. There is no question that every country in the world that has exports and investments now considers Africa a priority. It will switch some of the problems that Paul was talking about, the systems and all of that. There will be a clash there; there's no doubt about that. But the fact that they will be in the same room and the fact that there are members here who believe very much in Africa, as do other countries, I think means they will become a priority in coming years, not only for aid but for trade.

Mark Carney again, two days ago, said that Canada has to focus more and more attention on developing economies. Where are these developing economies? Maybe China is one, but definitely the up-and-comers are the 54 countries in Africa with an average growth of 5% to 6% in the last three years, which is going up.

Reason will prevail. Saying or not saying it's a priority...it will become a de facto priority. That's the way I look at it.

Mr. Colin Robertson: Trade follows the flag in many cases. In this case, in Africa, trade is now ahead, so I think we're going to be back in for all the reasons that Lucien has given.

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

We're going to start our second round with five minutes.

Ms. Brown.

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

Mr. Robertson, we may give you the opportunity to pursue that.

I just want to first be very clear, for the committee and for people who may be reading this, that there is a distinct difference between what we do in humanitarian aid and what we do in development. I just want to read the Prime Minister's quote when he said:

> But when the need is great and the cause is just, Canadians are always there.And we will always be. Because that is what Canadians do.

We have stepped up to the plate with the Sahel, with the East African drought relief, with Syria, with Haiti. With innumerable humanitarian situations, Canada has been there. We will continue.

I want to posit a slightly different theory, though, and I ask for your comment on this. Canada has had enormous contributions. In fact, we are one of the largest contributors to the Global Fund. The reduction of tuberculosis and HIV/AIDS is significant around the world. Our contribution in the reduction of polio has been enormous, and we are seeing such success there it's almost astounding. We have put money into the World Food Programme, and again we're one of the largest contributors. The maternal, newborn, and child health initiative, which is a signature project for Canada, is saving moms and babies all over Africa, in particular. What we're seeing is reduced mortality rates, increased numbers of babies who are surviving and reaching five years of age.

Does it not mean that we need to restructure our development because we actually have a reclaimed generation? For the long run, what are we looking at? We're not just dealing with getting food in the mouths anymore. We need to look at what the long run looks like in skills training and job opportunities, because we have a new generation, thank God, of young people who are alive and need hope and a future.

Do you have comments on that, gentlemen?

● (1200)

Mr. Colin Robertson: Yes, we've always had instant, immediate relief to places that have had disasters, and that's always been a key part, but at the same time, there's the whole idea of development designed to basically take us to the point where you don't have to provide development. We use all sorts of policy levers to do that.

You talked particularly about Africa and the things we do. I know that Madame Laverdière has a very good proposal she put forward some time ago in terms of providing drugs. I think that's the kind of thing that sometimes deserves a re-examination, particularly in light of, as you described it, the Prime Minister's personal commitment to maternal health and child care developments and improvements, and the real, personal commitment he has made with the President of Tanzania through the United Nations.

A voice: Yes, Kikwete.

The Chair: Paul.

Mr. Paul Chapin: We're a very ad hoc country. We muddle through all the time. When you look at the approaches the people like the Americans, the British, the French, and others take, they're masters at looking at the big picture and the long picture. Quite often, in the face of people dismissing it as a whole lot of rather silly think tank product that's never going to impact anything or anybody, we're right at the other end of the spectrum. We don't look more than a few days or a year or two down the road.

One of the reasons that I have argued that we need an international fair strategy...we also need a national security strategy. Look at all the institutions we have in Canada that are supposedly working on the safety and security of Canadians. Do they have a common program that they're working on? We need to do a much better job of exploring big trends in places like Africa and Latin America, and others, and then selecting the ones that matter to Canadians. There is a Canadian interest here. The Canadian taxpayers are shelling out this money, so they're entitled to know that there's something in it for Canada, that it's not entirely altruism. It should be altruism; it's part of the Canadian makeup that we do this sort of thing. But we need to focus a great deal more, not only on that picture, but also on how we can be effective.

My time at the Pearson Peacekeeping Centre suggested that there's a great deal more we can be doing in training, building the capacity, as Colin mentioned, for other countries to get up to speed on things. I fear that in Afghanistan we're going to walk away in a year or two or three and leave a small CIDA program behind, and all the time, effort, money, and deaths that we've sustained, and the injuries that are afflicting a thousand Canadians as a result of that conflict, are just going to go for naught.

We need to be building the capacity of particular countries, and I think that's probably a better Canadian vocation than anything. When you ask the Americans or the British or the French to do those kinds of things, they bring big power or colonial baggage with them. Nobody thinks the Canadians or the Australians have an ulterior motive for helping. It's not talking about a niche. We're talking about a global program, but we need to focus that global program on the big issues that really matter, and then put our shoulder into a few of them that will really deliver results for us.

Ms. Lois Brown: So this is an opportunity for us to have a new look at development for the long run.

Mr. Paul Chapin: Indeed, I've made this point. Why have we until very recently been running a $30 million to $35 million poverty alleviation program in China? Has anybody been to Shanghai recently or looked at the Chinese military budget? It's $120 billion or something. They don't need $30 million from Canada.

The Chair: Thank you very much.

Now we're going to move over to Mr. Dewar. Sir, you have five minutes.

Mr. Paul Dewar (Ottawa Centre, NDP): Thank you, Chair.

Thanks to our witnesses who have offered us interesting comments.

To underline, I think what they demonstrated in their testimony today, Chair, is the fact that this process we're engaged in right now is not sufficient. When you look at what other countries have done and the way they've done it, they've taken the time to do it right. I want to make that point again, as I have in previous committee hearings on this. We have an omnibus bill in Finance; we don't touch it at all. We have no ability to change or to hear from people like you to influence it. Hopefully they'll hear over there when they're having hearings at Finance.

And I say that because some of the points you've made...you have to do this right. It is about people, but it is about structure. I appreciate the fact that you mentioned that people make things work, but you can also have structures in the way of people doing good work.

I'll start with you, Mr. Robertson, and I think, Mr. Chapin, you talked about this as well. When you have this kind of approach that we've seen in the U.K., certainly with the model I know, aligning your development aspirations with your foreign policy, is it not absolutely critical to have a foreign policy that people can understand? I say that because I think that's the dilemma right now. I say this without prejudice, believe it or not. After we lost our seat on the Security Council, one of the things I put forward at the foreign affairs committee was to let this committee have a conversation with Canadians about what our foreign policy should be. I would challenge anyone around this table to tell us exactly what our foreign policy is. Where do you find this anywhere on the Foreign Affairs website? You'll hear speeches, you'll hear comments like we're in favour of freedom and democracy, as if anyone isn't.

What is the challenge if you don't get your foreign policy articulated first in this equation, because if you don't have an articulated foreign policy, will it not disrupt this approach and undermine all the good things we can see out of this model?

● (1205)

Mr. Colin Robertson: I'm reminded of a phrase of Lester Pearson, whom I greatly admired. He inspired me to join the foreign service. His view was, don't spend a lot of time studying foreign policy—this was in the context of the Trudeau review—do it. But remember, he built on a whole career and a great knowledge of foreign policy.

Certainly you have to have a combination.... Developments go on all the time. I think you as a committee have a responsibility to bring forward the policy experts from Foreign Affairs to inform you of the trends so you can make the necessary policy judgments. You don't want to gridlock our foreign affairs department in a reorganization over the next couple of years when what they should be doing at this critical time.... The world continues to evolve, as you just alluded to in other developments, China and things. You want to have the best minds—and I think you've still got a lot of very good minds at Foreign Affairs—to give you that advice so you can make the informed decisions you need.

On development, I'm not fussed by Foreign Affairs coming out.... I think that's a very healthy thing for Foreign Affairs now, because I think development concerns have not always been considered. We've heard this at the table. I think now that they're going to be an essential piece at the table, I wouldn't be afraid of this. This is what I tell my friends in development. Don't be afraid. You have a real opportunity to have a huge influence.

I lived in Hong Kong for five years. We just heard about China. The influence that Hong Kong has had on the rest of China.... The ideas are powerful. You're dealing with an ideas department, particularly Foreign Affairs. It's all about ideas. It's not so much about delivery; that's what CIDA is about. It's about ideas. I think getting all those ideas in one place: development, trade, and foreign policy are absolutely vital to.... You need members of Parliament, and particularly members of this committee, to act as stewards of the Canadian people, in a sense, to ensure that foreign policy reflects the values and interests of the Canadian people.

Mr. Lucien Bradet: The nature of your committee is exactly that, right?

Mr. Paul Dewar: It should be.

Mr. Lucien Bradet: Foreign affairs and development, so there's nothing wrong here.

Mr. Paul Dewar: Yes, you're correct.

Mr. Lucien Bradet: We saw that it goes together, right?

The Chair: Thank you very much.

We're going to move on to Mr. Harris.

Sir, you have five minutes.

Mr. Richard Harris (Cariboo—Prince George, CPC): Thank you, Mr. Chair.

Gentlemen, thank you for your presentations.

Mr. Chapin, you made the statement just a little while ago that Canadians want to know what's in it for Canada, and certainly they deserve to know how their taxpayers' dollars are doing. Unfortunately, over the past years, when we've been talking about international foreign aid, the only news that seems to make it into the media is when funding has been hijacked by militia, or goods that were destined for some stricken area have disappeared. That's just a very small part of the total package, but that seems to make it to the media, and Canadians hear that.

I know there's oversight in place, of course. I'm wondering how the effectiveness of the delivery of funds, goods, and services to the people who need it most may be improved with the merging of CIDA into DFAIT. Given the larger body, could we maybe make better use of their communications department to make sure that Canadians know that we are in fact getting a bang for the bucks we're sending overseas?

● (1210)

Mr. Lucien Bradet: I want to say a couple of things about that. The first one is that, as I said in my exposé, you're going to have two ministers responsible for it now. They will have to talk the same language, because they're going to be in trouble if they don't.

Second, ambassadors will be in a better position to communicate to the countries and better manage the delivery. You go to certain embassies and the ambassador says, “Lucien, CIDA is there, I'm here, and Immigration is there”—and there is some disconnect there. That should help.

Now, the pronouncement from the Minister of Foreign Affairs should also be in big support of international development. I think the government will win if it does it well, and I have no reason not to believe they will do it well. But it's a plus for development, a plus for trade. The Department of Foreign Affairs, and Trade, Minister Fast, work very closely with Baird, and when I travel I see that all the time now. I see there is a connection that I didn't see before, and Minister Fantino also goes before or after, or whatever. I can assure you that our reputation is going up in Africa because of that exposure. The merger will help Africa to better understand Canada, because sometimes they tell me, “We don't understand. There's something wrong here.” This will fix issues of communication. Philosophy, I don't know, but definitely communication.

We talked about women. Next week, we're going to have a conference with 13 delegations from Africa—business women in Toronto talking about the development of business between African women in business and Canadians. This is all part of it. One of the big sponsors is CIDA, and Minister Fantino will be there. You see the convergence there: trade, business women, and development. That's what we have to do more and more in the future.

Sorry, it's a commercial.

Mr. Richard Harris: Mr. Chapin, I think you were the one who talked about the private sector needing to step up to the table more, that we need to increase their involvement in any of our international trade negotiations—or is it Mr. Robertson who mentioned that? Can you maybe elaborate and give us an idea of perhaps why we don't have that involvement presently, and give an example of to what level we can increase that to make our negotiations more effective?

Mr. Colin Robertson: Yes, but it's based on experience and talking with people in the private sector, particularly in the field, going into our offices. I'll use Africa as an example and to a degree Latin America, where companies were going in and trying to seek assistance from CIDA to help them get a better sense of the projects and also tell them what they're doing. CIDA felt constrained, for whatever reason, not really working with Canadian companies. The trade commissioners thought this was an opportunity where we could actually bring together development and trade. I think Lucien has seen this often.

This is one thing I hope the integration does, because you had a philosophical difference, which did not serve Canadian interests. Again I come back to long-term development. It depends on sustainable jobs, which then create the conditions by which we can eventually move development on to other things. Canadians win as well because we trade with these countries. That's part of what the Prime Minister is doing.

So that part of the mindset needs to change. That's why I favour the development side. I can give you specific examples, but I think you've got the general sense.

I will say that Export Development Canada should not be ignored in this, because it plays a very constructive role in helping Canadian companies work abroad. I think that also has to fit into the development mix, because that's a big chunk of money, more than $4 billion, and it's also helping the Canadian presence abroad in a major way. It's looking at Canadian interests as a whole and the whole Canadian side.

That's why I don't want to handicap the foreign affairs department with moving boxes around. We should be thinking of broad policy at this critical time.

● (1215)

The Chair: Thank you very much.

We're going to start our third round now. It looks as if we'll have a chance for the full third round.

Ms. Grewal, you have five minutes.

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

My question goes to Mr. Bradet.

Mr. Bradet, in the last nine years you have led more than twenty missions to more than twenty African countries and have helped to organize a number of major conferences in Canada on economic development. It seems that international development is something you feel very passionate about, and the importance of combining international development and foreign affairs.

Recently the Department of Foreign Affairs and International Trade has decided to focus its engagement in Africa on the new economies that are rapidly expanding. Do you think merging CIDA with the Department of Foreign Affairs and International Trade will help to accomplish these goals?

[*Translation*]

Mr. Lucien Bradet: Certainly.

[*English*]

I like CIDA, and I have worked very closely with CIDA in the last couple of years. But I think, as Mr. Robertson says, we must ensure they work very closely together, day and night, and at breakfast and in the breaks. The integration process will be very important.

In my recent discussions with the CIDA and DFAIT people, I see hope on both sides that we can do more than what we have done before, for everyone, for every Canadian. We talk of the private sector. You know that the private sector is an instrument of development. I think about CRC Sogema in Montreal; it has established the taxation system in 17 African countries. With what money? With CIDA money. That's trade. That's investment and that's good for development. I could cite you examples like that.

I agree with Mr. Robertson that the most welcome people at CIDA were not always the private sector, but that is changing because one is seeing that as a major instrument of development.

So I think it's good news. Let's make it work. But it will need your help and support. As a committee you're very important, because people listen to you in Parliament, and Canadians want to know what you think. We will help, and you should help as well to make it happen and work. I think that's important.

Mrs. Nina Grewal: Many people feel that the issue of development is combined and taken into consideration while examining foreign policies, and a positive effect will be seen on foreign countries since development is essential to helping many foreign countries that Canada interacts with.

In light of your experiences as the president and CEO of the Canadian Council on Africa and your vast experiences visiting several different African nations, please comment on the potential benefits of the integration of CIDA and the Department Foreign Affairs and International Trade.

Mr. Lucien Bradet: I think the benefits will be that aid will be more in keeping with the general policy of the government, which some people question is not always clear. That will be clearer.

One of the things that people don't know is that 80% of our business with Africa is in the knowledge business, services. You know what? When a company goes to Africa, first of all, they do two things. They find a partner over there, because they cannot compete if they don't have a partner. What they do with the project is they leave knowledge behind, they create good economies for Congo or whoever, and that creates jobs.

The second thing it does that's very good is it creates investment opportunities, like the mining industry. The mining industry of Canada has created 50,000 jobs in Africa. It has paid more than any other field in the continent. For me, that's very important.

The third thing is you talked about EDC a minute ago. I hope the committee will pressure EDC in the not too distant future to open an office in Africa. That's the only continent where they haven't opened an office. I work very well with EDC, don't misunderstand. I think they are champions for Africa. But it's time they opened their minds and said this is a place to do business.

For the last five years they have told me, Lucien, it's coming, it's coming, it's coming. Well, it's not there. So let's make sure that we have something, either in South Africa or wherever.

I could talk to you for an hour, I'm sorry. I'm stopping.

● (1220)

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

We're going to move over for five minutes, starting with Mr. Dewar.

Mr. Paul Dewar: Thank you. I'm going to share my time with Madame Péclet.

I just wanted to nail something down. Mr. Robertson, I think I'll put it to you.

We had witness testimony at the last committee hearing about the concerns right now of the concentration of power within the Minister of Foreign Affairs' office, and we've certainly seen that in announcements, etc.

The concern you've mentioned around making sure we still have that voice for international development is certainly aligned, and we all get that with our foreign policy. But in the legislation as you see it, we have “the minister”, and that's the foreign affairs minister, and then “additional duties”. I certainly get and agree with this idea of putting people together and thrashing things out, but my concern is right now what we have is a very concentrated office, and we have a structure that's going to bring in another office.

You were underlining the concern around development dollars and where are they going to go. How do you see managing...we'll call it creative tension? Some others might have other words for it, but how do you ensure that things aren't going to be swallowed up by one minister? I think that's a fair concern, and certainly when you see the legislation structured the way it is, how is this going to happen? Who's wagging the dog, so to speak?

We had someone else who said trade could learn a lot from those in CIDA who are doing good CSR work.

The Kofi Annan report just on Africa, which I'm sure gained a lot of attention for you, is something that is a lesson. You can't just look at GDP and exports; look at results. And that usually comes from a sensibility of those who are in international development. How do we make sure we're not, within the structure, losing that important voice?

Mr. Colin Robertson: Leaving personalities aside, the legislation as I read it now makes this a significant part of the portfolio of the Minister of Foreign Affairs, who has overall responsibility, which I think is a good thing. You do need a single point of contact.

I think in adding that to the minister's portfolio, that minister, by definition, with responsibility to cabinet and to you as members of Parliament, has to take that into account. That becomes an additional part. In the past, when I go back to the eighties and the nineties, when we jiggled the chair slightly and added to the Minister of Foreign Affairs...there was no question in the early eighties, for example, when we did this that the then Minister of External Affairs, Allan MacEachen, spoke with greater authority because that was part of his portfolio.

I have no doubt that the current minister, Mr. Baird, should take.... He has, not entirely elaborated as yet, a dignity agenda, which goes into a lot of the things that are absolutely vital to development—women, girls, the disadvantaged groups.

I think the CIDA addition should play a major role, because it needs to be remembered—and I go back to Lloyd Axworthy, who also had things changed when he was there, and his whole sort of soft power. He took into account all of the facets of foreign affairs. In a sense you're arming the foreign minister. Again, to use the example of other countries, the foreign minister in Britain, the foreign minister in many of the European countries, Hillary Clinton, what she did—you added aid to Hillary Clinton and she significantly increased what she was able to do and with devotion to a couple of areas, in particular women, as you know, as a key piece of it.

So my argument would be that the foreign minister will have this because it is now part of their responsibility, and in a sense we're going to get a better—

Mr. Paul Dewar: I'm going to Madame Péclet, I'm sorry.

I'm sharing some time here.

[*Translation*]

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

Actually, in your three presentations, you said explicitly that the policies of these three departments worked perfectly together. We agree, however, that the role of Foreign Affairs and International Trade is to promote Canada’s interests abroad, while the role of international development is not quite the same. It is not to promote Canada’s interests abroad but, rather, to promote respect for human rights and to reduce poverty, indeed to eliminate it. There are some subtle differences. One wonders how these policies are actually going to work together. In your eyes, everything is fine, it is a done deal and working perfectly, but that remains to be seen.

Mr. Robertson, you talked about corporate social responsibility. It is important to know that corporate social responsibility is necessary in the eyes of the Department of International Trade, but it is not mandatory. In fact, we are committed to international standards, but they are not mandatory in Canada. When it comes to international development, though, respect for human rights is key to CIDA.

How can we make sure that corporate social responsibility will be observed and promoted as a Canadian international development policy?

● (1225)

[*English*]

The Chair: Mr. Robertson, very quickly, please. We're over time.

Mr. Colin Robertson: If I could use the phrase "corporate social responsibility", companies now realize that's how you do business. Corporate responsibility covers things like women and girls. This is good business practice. This is now becoming part of the culture of companies. They do this, not because they have to do it, but because they see it as good for their business.

[*Translation*]

Mr. Lucien Bradet: I would just like to add one last word.

[*English*]

while the chair isn't looking at me.

[*Translation*]

I do not agree with you when you say that everything is fine. If everything were fine, we would not be doing what we are doing today.

[*English*]

Things don't always work perfectly. I think the effort of the merger will try to correct some of the problems we have—and we have some problems, otherwise we would not have the legislation.

The Chair: Thank you very much.

We're going to finish up with Mr. Dechert for five minutes.

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

I'd like to go back to you, Mr. Robertson. We were speaking earlier about what other international countries have done. Can you share with us any insights you may have on the experience of those other countries in the way they've integrated foreign policy and development policy, and anything that Canada can learn from those experiences?

Mr. Colin Robertson: There's a whole series of best practices. I know the departments are going to be looking at this. They should provide you with this information as to what are the best practices. I talked about the who, what, when, where, why. These are all questions you have to ask. We have a department—

Mr. Bob Dechert: Can you think of anything that wasn't done well in one of those other countries, a pitfall we could avoid?

Mr. Colin Robertson: There have been a lot of bad experiences that we can talk about, but I would look to the more positive. It's what you learn in these things. Every case is a little bit different, but I do think the road we're going down is the right one. After all, we talk about trade and development. What we should be saying is trade is development.

Mr. Bob Dechert: Sure. Thank you.

Let me ask a general question to all three of you. You're all very experienced in matters of international affairs; you've worked in the Department of Foreign Affairs and other ministries throughout your careers. Have you thought about this possibility in the past? Has this been discussed between you and between other people in the international community? Was it a surprise to any of you that this might happen? Perhaps you could tell us about how long this has been discussed, bandied about in the international community here in Canada.

Who would like to start?

Mr. Lucien Bradet: I'm not surprised. I thought it was going to come at one point in time. Definitely, that higher council made recommendations five or six years ago for policy coherence, for more strategic thinking, and every time we were thinking, wouldn't it be nice if those three were meeting every week in the same room to hash out problems and find consensus? We thought that for the last few years, and I think it's important that it's happening now.

Mr. Bob Dechert: Mr. Chapin.

Mr. Paul Chapin: Could I make the point here that once CIDA was established as an agency by order in council, it kind of immunized itself from the rest of government? This made it very hard for the rest of government to deal with CIDA, except through either a very high level or maybe at the working level. I know from my days as a desk officer in Foreign Affairs and as a director general in Foreign Affairs and at embassies, it has always been an aggravation that the Government of Canada couldn't get its act together, its resources together, to do certain things together.

In a sense, this has been a long time coming, but it has been thought about, probably since the day CIDA was created, and then somebody in Foreign Affairs said, "What kind of a crazy idea is this?"

● (1230)

Mr. Bob Dechert: Should anybody in the NGO community in Canada be surprised by this?

Mr. Colin Robertson: I think this has been talked about for a long time. I go back. The external aid office was part of Foreign Affairs. We did the Colombo Plan under the old external affairs department. It's not as though this wasn't a piece of it and then it was taken out. Again, we're talking about the boxes.

From the time I joined as well, this has always been a continuing debate, including within the development community itself. It's just asking, how do we get, bluntly, the best bang for our buck, and how do we ensure that foreign policy integrates all the various strands?

This is overdue and highly sensible, as long as we get through the integration quickly and then get onto the policy side.

Mr. Bob Dechert: It has to be executed correctly and prudently, I understand. In any merger of any two great organizations, it's all about the administration of the integration and the personal relationships. I'm sure we'll be mindful of that.

Do any of you have any other comments?

Mr. Paul Chapin: I just have one comment, if I am allowed to respond to a point that Mr. Dewar made a little while ago.

Boy, do we need a foreign policy that people can get hold of and talk about. It doesn't have to be forever and a day. It's not the gospel truth, but it needs to be articulated regularly, particularly by new governments so that everybody else gets the message about what's now important.

I would argue that if you look at the report of the Auditor General that came out a couple of months ago, if you look at where the money is going for international development assistance, CIDA has a good chunk of it. Then there is another half a dozen or a dozen government departments with the money, too. But there is a column in the AG's report indicating how much of this money is actually transferred to international institutions, mostly UN and UN-related, and out of the total of $5.1 billion, it's almost $3 billion.

What we're talking about in the reorganization here is how to better deal with the $2.1 billion that's left over. We need to look very seriously at the international architecture we're using, because if we want to alleviate poverty, Canada is going to be able to do this much, but the UN system and all those agencies are where the answer lies, and we need to be much more diligent in going after these institutions, including, if we have to, threatening to leave them and go someplace else with our money. If we want to be in the results-oriented business, and we really want to alleviate poverty, it can be done, just as we can alleviate polio and all these other things if we put our minds to it, but not if we're simply on the same old track.

The Chair: It sounds like you may have given us an opportunity for future discussions on what we may be studying in terms of large organizations.

That's all the time we have.

I know Ms. May has come in and wants to ask a question. We need unanimous consent if that's going to be the case. I need unanimous consent for Ms. May to ask a question to move forward. If not, we're done.

Mr. Bob Dechert: Are we on committee business?

The Chair: Not yet, but we will be. We're going to suspend first, but Ms. May wanted to come in and ask a question. I need unanimous consent from the committee for that to happen.

Mr. Bob Dechert: No.

The Chair: All right.

Witnesses, thank you very much for being here. We had some great discussion today. We want to thank you very much.

We will suspend and we will come back to deal with committee business.

Thank you very much.

[*Proceedings continue in camera*]