HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Standing Committee on Foreign Affairs and International Development

FAAE • NUMBER 018 • 1st SESSION • 42nd PARLIAMENT

EVIDENCE

Tuesday, June 7, 2016

Chair

The Honourable Robert Nault

Standing Committee on Foreign Affairs and International Development

Tuesday, June 7, 2016

● (1545)

[*English*]

The Chair (Hon. Robert Nault (Kenora, Lib.)): Let's bring this meeting to order. I know we are running a little late, so I apologize to the witnesses for our late arrival. We had a few votes to go through.

I want to officially start this meeting, pursuant to Standing Order 108(2), the study of the Canadian government's countries of focus for bilateral development assistance.

Before us this afternoon we have from Save the Children Canada, Marlen Mondaca. We have from the Micronutrient Initiative, Mark Fryars; and from Plan International Canada Inc., Caroline Riseboro. Welcome to the committee.

We'll just go by order as I read them, so Marlen, you're going to start. I give the floor to you.

Ms. Marlen Mondaca (Director, International Programs, Save the Children Canada): Good afternoon everyone. I would like to thank the committee for inviting Save the Children to appear today.

My name is Marlen Mondaca, and I am the director of international programs at Save the Children. Save the Children is an organization that places children, boys and girls, and their rights at the centre of our actions. Children and their best interests are the central guiding principle of our work. Indeed, our founder Eglantyne Jebb was integral to the development of the 1923 declaration on children's rights that promoted the concept that children have individual rights. This declaration was adopted by the League of Nations in 1924 and then became the basis for the UN Convention on the Rights of the Child, adopted by the UN in 1989.

Our history therefore as an organization working for and with children both on humanitarian and development programming, extends back almost 100 years and is guided by the principles of the convention. Given our history and long experience, I am therefore grateful for the opportunity to spend the next few minutes with you to share some of our thoughts as well as to put forward some key principles that can help inform the criteria that you set out when making decisions on the future of Canada's bilateral development assistance.

The first principle that I would like to put forward for your consideration is the importance of having our Canadian international assistance take a rights-based approach, putting people, especially girls and boys, at the centre of our investments and strategy. The global community has made progress over the last 25 years in moving away from a one-size-fits-all approach to a more rights-based one, which strengthens local governance and empowers citizens, including children. If we are to succeed in our efforts to reach the 2030 sustainable development goals, we will have to ensure that international assistance and development reflect rights-based principles including universality, equity, participation, interdependence, interrelatedness, and accountability.

When thinking about girls and boys, we often only view them through the lens of protection. We are conscious of our roles as adults and as parents to protect and provide for them. Children, however, are not mini-people with mini-rights. Children, like adults, have full individual human rights that must be respected. Girls and boys have agency and can, as their personal development permits, communicate their needs, shape their communities and institutions, and be agents of change for their present and future.

Children and youth have a right to participate in the decisions that affect their lives, and they must play a pivotal role in developing and implementing solutions to the challenges they face. From our programming experience, we know that when children and youth's voices are heard and taken into account, there are tremendous benefits for all stakeholders. Institutions, including schools and local and national governments, become more inclusive and accountable, and children's sense of belonging in their community grows. Through their active engagement, girls and boys experience citizenship-building, and they are able to develop skills for creating peaceful, democratic solutions to the issues they face. We are therefore very pleased to see child and youth participation as a continuing development priority.

At the heart of the sustainable development goals, or the SDGs, as they are called, is the principle that no one is left behind and that no goal is met unless it is met for everyone. This is the second principle I would like to put forward for your consideration.

Although the millennium development goals helped us to make great strides, we were not able to meet all of our goals, in part because of inequality due to gender but also due to race, ethnicity, or geography, simply where you live.

Let me first tackle gender inequality. Girls are still too often denied a voice in the decisions at household, community, and national levels. While progress has been made, gender inequality still permeates all aspects of societies and is a root cause of many barriers to sustainable development around the world.

Save the Children believes that it is critical to identify and work to transform the root causes of gender inequality. This requires addressing social norms and institutions that reinforce gender inequity.

● (1550)

Working with women, men, girls and boys, community and religious leaders, as well as advocating for and fostering legislation and policies that promote gender equality, is central to the work of addressing gender inequality.

Tackling gender alone is not sufficient. Race, ethnicity and geography must also be considered. We know, for example, that two-thirds of families who experience health, nutrition, and education poverty, in low and lower-middle income countries, are headed by a person from a racial or ethnic minority group.

Save the Children has in fact recently released new research that shows that inequities in life chances among excluded racial and ethnic groups are worsening in the majority of countries for which data is available. As an example, indigenous groups make up 5% of the global population, but 15% of people living in poverty globally.

In Peru, a middle-income country, indigenous Quechua children have life chances equivalent to the average for girls and boys in Gambia, one of the poorest countries in the world. In fact, a Quechua child is 1.6 times more likely to die before their fifth birthday, and more than twice as likely to be stunted, as are children from a Spanish-speaking background.

The third principle that I would like to propose for your consideration is that Canada's approach must ensure we focus on the most excluded girls and boys wherever they live. When speaking of fragility in the context of international development, we must acknowledge that it is neither static, nor is it defined by borders. Fragility is dynamic. Stable states can become fragile due to conflict or climate crisis. In stable states, there are fragile communities because of structural inequality, most often based on race, ethnicity, gender or geographic remoteness.

While a focus on least developed and fragile states is necessary, Canada's development assistance strategy must also be able to address poor and marginalized populations within countries, and fragile contexts within states. This will ensure Canada meets its primary development objectives and those of the sustainable development goals.

As previous presenters to this committee have undoubtedly outlined, and as members of this committee know, the geography of poverty has shifted. Poverty is pervasive not just in low-income countries, but also in middle-income countries. According to the World Bank, more than 70% of the world's poor now live in countries that are middle-income. Thus, to reduce poverty and inequality in the world, and help the poorest and most vulnerable, in line with Minister Bibeau's mandate, our efforts must now focus not only on poor countries, as units of dedicated development intervention, but on people who are marginalized and living in poverty, regardless of where they live.

This important shift in analysis would see us focusing on where the poorest and most marginalized are, and ensuring that our international development approach is fit for purpose. It must have flexibility in design, and mechanisms to reach the very people who are most in need and ensure they are not left behind. Sound development must be based on need.

There is no question that fragile states and least-developed countries should receive the majority of Canada's development assistance, but it should also be noted that in 2013 the OECD reported that almost half of all fragile states were middle income. Flexibility will be important for Canadian development assistance to have the most impact.

Finally, in closing I would like to end with a quote from our founder Eglantyne Jebb, who said, “Humanity owes the child the best it has to give.”

The Canadian Government has an opportunity through this consultation process to invest in development programming that places children and youth, especially the most marginalized, at the centre of its interventions, both as key actors and as an affected group. It also has an opportunity to understand that children and youth's lives, and the issues that affect them, must be understood as multidimensional.

Children living in poverty rarely experience stand-alone deprivation. Poor health and nutrition, poor quality educational opportunities, early marriage, and few work opportunities, usually go hand in hand. Therefore, while funding streams and projects can be siloed and focused on specific thematic areas, the deprivations experienced by girls and boys are overlapping and reinforcing.

● (1555)

Integrated programming that seeks to address multiple areas of deprivation can lead to stronger sustainable results in programming. Therefore, we recommend that Canada continue to develop greater flexibility in funding mechanisms for programs that are designed to address the multiple and unique deprivations that girls and boys face.

Thank you.

The Chair: Thank you, Mrs. Mondaca.

Mr. Fryars, it's your turn now, please.

Mr. Mark Fryars (Vice-President, Program and Technical Services, Micronutrient Initiative): Thank you and good afternoon. My name is Mark Fryars. I'm the vice-president of programs and technical services with the Micronutrient Initiative. Thank you very much for the opportunity to meet with you today.

The Micronutrient Initiative is committed to tackling one of the most pressing issues of our time, malnutrition, and particularly the lack of essential vitamins and minerals known as micronutrients. We are an international not-for-profit organization with a global reach, but headquartered here in Canada. For almost 25 years the Micronutrient Initiative has delivered high-impact programs and new approaches to help accelerate the scale-up of better nutrition globally.

Our mission is to ensure that the world's most vulnerable people, and especially women and children in developing countries, get access to the nutrition they need to survive and thrive. We help countries design, deliver, and measure integrated, innovative, and long-lasting solutions to correct nutritional deficiencies.

Thanks to investments from Canada and other generous donors, we've managed to improve the nutrition of about 500 million people each year in more than 70 countries. Canada's contribution to our vitamin A program alone has helped save an estimated four million children's lives worldwide since 1998.

We feel this is a great example of Canada's official development assistance fulfilling its mandate in making a real impact. Today I'd like to talk about the importance of Canada's impact in terms of where Canada works and what Canada does.

To begin with, I want to make five points about geographic focus for you to consider.

First, let me stress the importance of focusing for impact. The Micronutrient Initiative has been able to achieve significant impact for Canada and Canadians by focusing our efforts. To maximize the impact that Canada can have, our view is that Canada's official development assistance must likewise be focused, whether we're talking about thematic areas or countries of focus.

Second is that poverty is not confined to the poorest countries. I think you've just heard that. Global malnutrition and poverty are very complex. We know that some of the poorest, most vulnerable, and malnourished are not just in the poorest countries but also in lower- and middle-income countries. They all need assistance.

Third, reaching the vulnerable is absolutely essential. Another consideration for Canada is where and how to achieve the most impact for the most vulnerable people and especially women and girls. Canada already responds well to calls for international humanitarian assistance wherever it's needed. But development assistance is also important for reducing vulnerability. Canada currently focuses on a fairly well-balanced mix of fragile states and least developed countries as well as low- and lower-middle income countries. But within those countries, it's a focus on reducing vulnerability that is important.

Fourth, I'd like to suggest that you invest for the long term to realize real gains. As Canada reconsiders its countries of focus, our own experience is that stable, predictable investment over many years is critical to achieving long-term impact. It allows the scaling back of investment once local systems have been established and are working well.

However, in doing so, fifth, I would say that you should maintain flexibility in your funding modalities, because it must be recognized that operating conditions in any given country can change from time to time. The modalities of Canada's investments may, therefore, need adjusting in line with this. Our conclusion is that return on investment for Canadians is best secured where Canada stays the course and can influence change for the better over the long term.

Nonetheless, impact is not simply about the countries that Canada focuses on; it's more often about the issues that Canada focuses on. Canada is well positioned to lead on some key issues that deliver significant impact globally by acting on them on a multilateral basis, as informed, complemented, and reinforced by a portfolio of bilateral country investments.

One such critical area of focus for Canada is malnutrition. You may be surprised to know that Canada is a leader in global nutrition. We have a track record that we can be proud of. Along with the U.K., the U.S., and Japan, Canada is one of the world's largest donors to nutrition. According to the Organisation for Economic Co-operation and Development, Canada is the second largest donor to nutrition and contributes the largest proportion of development assistance of any institutional donor at 4.8%.

Canada is also among the few countries that brings considerable knowledge and technical expertise to the challenge of global nutrition. It has raised international awareness and invested in action on nutrition. Canada supports critical nutrition programs that reduce child mortality and improve maternal and newborn health and child survival.

● (1600)

As a country, we could build on this strength with a strategic area of focus on nutrition for women and girls in particular as a core element of Canada's international development assistance. However, in the recently released international development assistance review discussion document, malnutrition is barely referenced as a critical area of focus. That's unfortunate. I hope that this will change because the stakes are high.

Let me give you six reasons for that.

First of all, malnutrition kills. Almost half of the deaths of children under five years of age are nutrition-related. The biggest contributor to the global disease burden is malnutrition.

Secondly, malnutrition is one of the most persistent barriers to improved human development. A child who gets good nutrition before turning two years of age completes at least four more grades of school and is 33% more likely to escape poverty as an adult than one who doesn't.

Thirdly, malnutrition is both a symptom and a cause of gender inequality. It's unacceptable that we live in a world where one billion women and girls are held back by malnutrition. Malnutrition categorically limits the capacity of women and girls to grow, learn, earn, and lead. Gender discrimination too often relegates women to the lowest rungs of the economic and social ladder. Making matters worse, in some countries women and girls eat last and eat least. I've seen this in Bangladesh, for example, where it's not uncommon for women to spend a long time preparing food for men to eat first, but if there isn't enough food, they and sometimes the children simply miss out.

Fourth, malnutrition costs the global economy $3.5 trillion U.S. a year. Nutrition is one of the most cost-effective investments for a healthier, more productive, and more equitable world. Studies have shown that every dollar invested in nutrition yields $16 in return. That's a pretty good return on investment.

Fifth, good nutrition for women and girls is essential to achieving most of the sustainable development goals. From global poverty and gender equality to health, education, economic growth and climate change, nutrition has a role to play.

Finally, better-nourished people are more resilient to shocks, including the effects of climate change.

The good news is that malnutrition is both preventable and treatable but it requires global leadership. It requires leadership to make nutrition a top development priority, as it's essential to achieving the global sustainable development goals by 2030; leadership to ensure that action to improve women and girls' nutrition particularly is scaled up by governments, donors, international agencies, civil society, and the private sector; and leadership to drive change at a global scale

In conclusion, Canada can build on its leadership in global nutrition by championing nutrition for women and girls in particular, by sustaining its global commitment to financing for global nutrition, and by encouraging global initiatives to scale up nutrition for women and girls by governments, donors, international agencies, civil society organizations, and the private sector.

As Canada redefines its role on the global stage, we can leverage our strengths and influence with a strategic focus on ending malnutrition at both the country level and in multilateral fora, like the G-7, the Francophonie, the Commonwealth Heads of Government meetings, and at the World Health Assembly. Canada's strategic leadership on nutrition for women and girls can make a tremendous difference in the world.

Thank you very much.

● (1605)

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

Now we'll go to Plan International Canada and Ms. Riseboro please.

Ms. Caroline Riseboro (President and Chief Executive Officer, Plan International Canada Inc.): Good afternoon everyone. My name is Caroline Riseboro, and I'm the president and CEO of Plan International Canada.

Honourable members of the standing committee, thank you for inviting us to testify today on Canada's countries of focus for bilateral development assistance, an important matter to examine to maximize Canada's impact on global poverty reduction.

Founded in 1937, Plan International is one of the oldest and largest children's development organizations in the world. We work in over 70 countries worldwide to create lasting change for girls and boys in their communities. Everything we do is based on our firm commitment to child rights, and over the years Plan International has become a global leader in gender equality by working to implement gender-transformative programs that target the root causes of inequality. In fact, Plan International is one of the largest INGOs focused on girls' rights in the world.

Our Because I am a Girl campaign that started in 2012 has reached five million girls around the world, and our ambition in the 2030 sustainable development era is to create a world that values girls and women, promotes their rights, and ends injustice. To do this, Plan International, through its Because I am a Girl campaign, is driving a global movement that will transform power relations so that girls can thrive everywhere.

Today's world is ever-changing, mired in complex conflicts, protracted crises, environmental strains, and unrelenting migration. Borders have become more fluid, and with unprecedented levels of displacement, there is no end in sight.

According to UNHCR, there are 60 million people currently who are forcibly displaced worldwide, many of whom are vulnerable women and girls. An entire stateless generation of children born to migrants are unregistered and at risk of long-term exposure to neglect, violence, and exploitation. Fragility such as the current droughts in East Africa last for decades, no longer just years.

The selection process for prioritizing geographic focus must take into consideration the changing, complex circumstances and the pressing needs of the most vulnerable people around the globe, and leave no one behind, as agreed upon by nations of the world in establishing the SDGs.

We believe Canadian development assistance must target these challenges to create opportunities for people living with the lasting impact. In our view, the selection of geographic priorities should be about conditions, opportunities, and the ability to demonstrate the impact for Canadian aid among the most vulnerable populations.

In an effort to focus Canada's bilateral development assistance, I would like to share a list of four key considerations with you that address the complexities of the global context, build upon Canada's existing strengths and comparative advantages, leverage evidence of what has worked, and allow for deeper impact and influence, particularly on the poorest and most marginalized, like girls and women.

The key considerations are as follows.

First is marginalization and vulnerability. As we know, Canada's development assistance is compliant with the Official Development Assistance Accountability Act. A fundamental principle of this act is combatting poverty. We agree with our counterparts that regardless of the status of a country—whether it's least developed, lower middle income, or middle income—we need to support the poorest and most marginalized and underserved populations.

The evidence is indisputable. Adolescent girls remain the most vulnerable population on the earth. This includes adolescent girls who are out of school, unaccompanied minors, indigenous people, ethnic minorities, refugees, and IDPs, as well as populations affected by climate change.

With the massive youth bulge in many developing countries, there are also opportunities to create jobs and look for opportunities for economic development, including the creation of green jobs. In selecting geographic priorities, we also need to consider those who were left behind in the MDG era. In fact, the MDG era mainly focused on those who were relatively better off, and with the SDGs we have an opportunity to focus now on the most vulnerable.

The second consideration is gender equality. As some of my counterparts have pointed out to the committee, Canada has also had tremendous success in advancing gender equality, which we know is essential to reducing poverty. Evidence has demonstrated that intergenerational cycles of poverty can be broken by educating girls. Empowered girls will lift their families, communities, and nations out of poverty.

● (1610)

We must reach girls who are out of school or in unsafe and non-girl-friendly schools; who lack basic rights to water and sanitation; who lack access to comprehensive sexual health, reproductive health, and health services in general; who are at risk of early, forced, and child marriage; and who are in situations of neglect or exploitation and especially vulnerable in conflict or emergency situations.

It's also not lost on any of us today, I think, that I'm speaking mainly to a committee of men, so I also would suggest that we need to reach boys and men and engage them in the critical issues around human rights, equality, and masculinities that support gender equality.

When selecting countries, regions, or sub-regions for bilateral development assistance or, for that matter, any development assistance, Canada must consider the willingness and ability to promote and advance the intrinsic rights of women and girls and the protection of the most vulnerable, which continues to be the adolescent girls.

The third is fragility. We welcome the minister's call for Canada's aid to respond to the needs of a new global context, which means that we must overcome the obstacles and seize the opportunities. This means that the selection of geographic priorities for bilateral assistance must respond to the increasing fragility of countries and entire regions.

The fourth is a regional and sub-regional approach. Countries in a region or sub-region face similar challenges and can benefit from regional and sub-regional approaches and investment. It allows the countries to learn from each other and helps to deepen Canada's aid impact and regional influence. In our view, there's an opportunity that can be seized when considering geographic focus. For instance, there are many similarities to the issues linked to high rates of child marriage in southern and east Africa. As such, having a sub-regional program to end child marriage can be a highly effective and efficient way of delivering aid that is cost-effective and produces high impact.

In addition to these four considerations, we would also recommend to the committee that there are three other determinants of success.

The first determinant is flexibility. When the vast majority of funds available is channelled to countries of focus, our hands are often tied in being able to respond to the needs of people impacted by unpredictable circumstances. This is especially true with respect to the current crisis of displaced people who are highly vulnerable but not staying permanently in one country.

The second determinant is innovations that can be taken to scale. We must innovate and scale up evidence-based programs through strategic partnerships. We know that ODA is simply not enough to reach the ambitions of the SDGs. In line with SDG-17, we must not be wary in finding win-win solutions to crowd in critical non-ODA from private sector and other key partners to leverage ODA. We also need to constantly have a view to innovate in terms of finding better ways to do our work, and to scale up programs in the field based on local solutions, in order to effectively respond to challenges such as climate change. This includes harnessing cutting-edge technology in our work on the ground and tracking our results. Innovations that have proven to be effective through evidence must be taken to scale if we wish to reach the ambitions of the SDGs.

This takes me to the third determinant. In prioritizing the geographic focus, we must focus on monitoring, evaluation, and research to track aid investment, learn from past programming, build evidence for proven models, and make Canada's investment count on the global stage. This will also enable Canada to create thought leadership and develop niche expertise and specific topics in geographic areas. This evidence is also crucial to carry out effective advocacy and, more importantly, to communicate with Canadians about the development issues they care about.

During last month's Women Deliver conference in Copenhagen, I was able to attend a launch on behalf of Plan International, whereby we have partnered with KPMG and the Gates foundation to develop an SDG tracker focusing specifically on women and girls, again continuing to build monitoring, evaluation, and evidence.

To summarize, there are four key considerations: vulnerability and marginalization, gender equality, fragility, and regional and sub-regional approaches with critical determinants of success, as I mentioned earlier.

Thank you very much. I appreciate the time in front of the committee.

● (1615)

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

Now we'll go straight to questions with Mr. Allison.

Mr. Dean Allison (Niagara West, CPC): Thank you, Mr. Chair. I'm going to split my time with Mr. Clement.

Mr. Fryars, in terms of vitamin A, you talked about high impact. What exactly is the cost of a treatment for vitamin A for the individuals you're treating in the field, and how often does it need to happen?

Mr. Mark Fryars: For vitamin A for children, which is a preventive measure as well as a treatment measure, the product cost is around 5¢ per child per year, so that part is extremely cost-effective. The delivery cost ranges according to the conditions. The more distant the population, the higher the cost, but it ranges from 25¢ to 50¢ and sometimes up to about $1 per child per year. It's very cost-effective all around and is usually integrated with other services to get cost efficiencies.

Mr. Dean Allison: That's good.

You mentioned that you guys are one of the leading purveyors of micronutrient nutrition. In terms of the provision of vitamin A, where do you guys rank in the world? Do you do a large percentage of the world's needs, then? Where are you at for that?

Mr. Mark Fryars: For vitamin A supplementation, we provide something like 90% of the world's needs for that particular age group, the under-five preschool children.

Mr. Dean Allison: That's great. It's a very high impact for a Canadian NGO located right here in Ottawa.

Mr. Mark Fryars: Yes.

Mr. Dean Allison: I have one other question before I turn it over. You talked about partnerships with countries. What's your thought process in terms of being able to scale back and have the country step up? Does that happen?

I realize that you're dealing with the poorest and the most vulnerable countries. Is there a point in time when you're able to pass the baton to those countries? How does that happen? What's the criteria for that?

Mr. Mark Fryars: Yes, I have actually seen it with a couple. I've been with the Micronutrient Initiative now for 13 or so years, and I've seen it happen in a couple of cases. The first was in Nicaragua, where we had investments early on in the nineties. They managed to build surveillance systems for nutrition and also the response mechanisms needed for malnutrition. They're now still implementing them, without any support from us, the American government, or any of the other donors. That's a good one.

Recently, in spite of the earthquake, we've seen Nepal do pretty well. They've brought down a lot of the child mortality rates and some of the other key indicators. We've decided that we no longer need to be there at the same level, so we've withdrawn a level of support, because we can see now that they actually are managing things pretty well on their own. It doesn't happen quickly, but it can happen.

Mr. Dean Allison: Do you get funding from USAID or the DFID or any of these other places to help enact programs? Or is it mostly from the Canadian government?

Mr. Mark Fryars: We have funding from the Department for International Development in the U.K. and from Irish Aid. We've had it from the Gates foundation, other private foundations, the Irish government, and range of others—

Mr. Dean Allison: Because they recognize you guys as excellent in what you do.

Mr. Mark Fryars: —in addition to Canada. Thank you.

Mr. Dean Allison: I'm going to turn it over to Mr. Clement.

Hon. Tony Clement (Parry Sound—Muskoka, CPC): Perhaps I could have a discussion with Ms. Riseboro.

According to stats I've seen, from 1990 to 2015, the number of people lifted out of poverty has been close to one billion, 650 million in China and India. Of those, 900 million went all the way to the middle class: they were poor in 1990 and middle class by 2015. I want your point of view on that.

To me, it makes sense, then, to keep doing the things that gave us that success, that created that success. Wouldn't we want to do the things that have worked in the past to erase poverty for one billion people in one generation? Maybe I'm not seeing the picture the way you do, but maybe you could comment on that.

Ms. Caroline Riseboro: I think the research and evidence have shown that while it's true that millions of people have been lifted out of poverty, there still remain a number of very vulnerable groups. I think that if there were ever a critique of the MDGs, it would be that they helped those who were relatively better off move to the middle class.

What they did, though, was to leave significant pockets of vulnerability, and that includes adolescent girls, ethnic minorities, and children. In fact, millions of women are still excluded from the economy, so I don't think we can just take the approach we've previously taken. In fact, under the SDG framework, our goal is to leave no one behind. This will mean that we can no longer do business as usual. We have to focus on some of the most vulnerable groups, which will require different approaches.

● (1620)

Hon. Tony Clement: If we have a billion more people, most of whom are in the middle class, in these countries, presumably we as well want to help them help those who have not yet been lifted up. It's not just our burden. It's actually the burden of people in the host countries.

It strikes me that there are things that can help them create transparency and accountability within their own governance structures, such as a crackdown on tax evasion, for instance, to make sure that if there are hidden assets of the people who are preying on the system, those assets are released. Another example is trade policy that promotes trade with countries that have a textile industry. There are these kinds of things. Would you agree that they might be helpful as well?

Ms. Caroline Riseboro: I think I would go back to what the evidence says. The evidence says there remain extremely vulnerable groups, which continue to be women and girls. As a consequence, some of the most effective investments would be things like ensuring that girls have a right to education. Currently, almost 65 million girls are still not allowed to go to school. Many of them—15 million a year—are married off because of poverty and are forced into early and childhood marriages. This issue will not be addressed just through things like cracking down on tax evasion, quite honestly. I think it's important that Canada continue to invest in those areas, especially since we've committed to be part of the SDGs, and the SDGs say that we should leave no one behind and that we should focus on the most vulnerable groups. The research is very clear. Adolescent girls remain the most vulnerable group on the face of the earth. It was Kofi Annan who said that the research is indisputable that if we can give girls access to education, that is the most powerful investment we can make to ensure that we break the cycle of poverty.

The Chair: Mr. Sidhu, go ahead, please.

Mr. Jati Sidhu (Mission—Matsqui—Fraser Canyon, Lib.): Madam Riseboro, you touched on the geographic concentration. I want you to expand on whether it is important that geographic concentration be applied to the international assistance that Canada provides through multilateral organizations. I'm pretty sure that the answer's going to be yes. If it's yes, in which countries and sectors is Canada most likely to be able to achieve results from its spending?

Ms. Caroline Riseboro: Let me start by saying that I think it's obviously important that we focus on a number of countries, but we can't spread the funding too thin. In the past we've had more than 80 focus countries. I think right now between 20 and 25 would likely be a strategic investment, because that number would allow us to have impact and to take a transformative approach to have a lasting impact and to achieve lasting results.

As for funding multilaterals—obviously I think my colleagues would concur, because we've had these discussions within the sector—it's important that Canada make bilateral funding arrangements, fund multilaterals, and fund Canadian civil society organizations. The reality is that a lot of times the multilaterals look to organizations like Plan International and those represented by my colleagues here to actually do the implementation on the ground.

Oftentimes, we are not afforded the right overhead costs to be able to do some of that, so we have to be able to match that funding with private donations by Canadians. The reality is, under the current environment, we are not seeing private donations growing at all, so there is more pressure on us if we don't receive funding both bilaterally and from multilaterals.

In terms of focus, again I would say it's important that we focus on vulnerable populations as opposed to on a specific theme. However, I will say that Canada has led in the area of gender equality. This is a commitment that this government has made. Again, I go back to taking an evidence-based approach, which continues to show that women and girls continue to bear the brunt of poverty. They also present a significant opportunity, because investing in women and girls has proven to be one of the most effective ways to break the cycle of poverty.

● (1625)

Mr. Jati Sidhu: If I heard you right, of the 80 countries you work in, you're recommending focusing on 20 to 25? You touch one country in Africa, but it's more likely that you'd like to work in 20 to 25 countries out of the 80? Is that what the answer is, not all 80?

Ms. Caroline Riseboro: In terms of where we specifically work, right now we are doing a global review to understand where Plan International should focus, based on the changing nature of our globe. In the past, I think we've seen Canada's bilateral assistance focus on 80-plus countries. It's focused on between 20 to 25. We would recommend that deeper approach of 20 to 25.

We also are asking ourselves the same questions as a global INGO.

The Chair: I assume you're making that comment based on the funding that's available now?

Ms. Caroline Riseboro: Correct.

The Chair: Thank you.

[*Translation*]

Mr. Aubin, you have the floor.

Mr. Robert Aubin (Trois-Rivières, NDP): Thank you, Mr. Chair.

I would like to welcome all the witnesses appearing before the committee today.

My first question draws on Mr. Fryars' opening remarks.

If my notes are correct, you said you have helped 500 million people in 70 countries. It is rather difficult to align these 70 countries with Canada's 25 countries of focus. It is clearly a much larger problem. You also said something I am very interested in, namely, that we should perhaps take a approach based on the targeted problems rather than targeted countries. For your part, Ms. Riseboro, you talked about the need for flexibility in the determinants.

My question is for the three witnesses.

Shouldn't we review our international aid? Two avenues are available to us right now, and they are not mutually exclusive. We could increase the amount of international aid, meaning that 90% of our aid would continue to go to the 25 countries of focus. The other avenue, since we cannot indirectly break off our relations, is to look to the medium term and move to a more thematic approach or an approach based on countries of focus.

[*English*]

Mr. Mark Fryars: Thank you very much. I hope I understood most of the question. Forgive me if I reply in English.

Mr. Robert Aubin: No problem.

Mr. Mark Fryars: If I understand the question correctly, you're looking at the scope in which we've been able to achieve results, which is spread over really quite a large number of countries. That is because we focus on one key issue. You can imagine a long, thin line across the globe where we can provide one or more critical but essential benefits to a very large number of people. This allows Canada to have a significant impact through that kind of multilateral approach.

But I would agree with my colleagues here that in order to build systems, you have to go deeper than that in selected countries. I quite like the number of 25 countries. I think that echoes what I said myself about being there for the long haul, being there for a sustained period, in order to make a significant difference. As countries go up and down in terms of their ability to build systems and move forward, having a trusted partner, who can have a voice that is listened to, is pretty critical.

To answer your question, I think it's really about balance. I think we need the three streams, but you need flexibility in between them as well so that you can follow where you're getting the best results with the investment you're making. In terms of “political direction”, shall we say, for international development assistance, give flexibility to the department to look at that in a very constructive way and focus on delivering the best results to Canadians for their investment.

I hope that answers the question.

● (1630)

Mr. Robert Aubin: Yes. Thank you.

Ms. Riseboro, do you want to add to that?

Ms. Caroline Riseboro: If we focus on too large a number of countries, then yes, it's very difficult to have a sustainable impact. This is why we're suggesting keeping the current 20-to-25 country approach. That being said, though, under the framework of the SDGs, it's not only a country approach but really a focus on the populations that are most vulnerable. Going back to the evidence, it could very much be a thematic approach around girls and women that our ODA could take.

The other issue, though, is that currently 90% of our bilateral funding goes toward priority countries. Given the fragility we're seeing around the world, the protracted crises, it may be that we want to decrease that percentage and increase the percentage of flexibility just given the nature of what's happening around the world right now in terms of crises becoming more protracted and more reoccurring.

[*Translation*]

Mr. Robert Aubin: Thank you.

[*English*]

Ms. Marlen Mondaca: Maybe not just to echo my colleagues, though I fully agree with everything they have said, I think it's also about building on the historic strength of the Canadian government's investments in ODA. Over the last decade or so, we have made significant investments and strides in the maternal, newborn, and child health file, for example. It would be a shame to see that thematic focus derailed by decreased investment. I think that in order to be able to scale up and have impact in the long term, we want to stay the course in some thematic areas where we have had those historic investments.

I do think it is a delicate balance between being geographically focused in order to continue to generate evidence and focused on building and sustaining impact in some of the countries where we've historically worked. It's also recognizing that if we are to reach the most deprived and the most marginalized, we do really need a shift in terms of strategy. That might mean changing some of the mechanisms of financing and how we do financing for some of the work that we do.

Mr. Robert Aubin: Thank you.

Do I have time for one more?

No.

The Chair: Mr. Saini, go ahead, please.

Mr. Raj Saini (Kitchener Centre, Lib.): Mr. Fryars, I have a question for you specifically. Being a pharmacist, I'm very intrigued by your organization. How did you decide which vitamins you were going to concentrate on? I understand some of them, but can you give me an understanding of how you chose specific ones?

Mr. Mark Fryars: It's really a question of which ones have the most significant mortality and morbidity impacts and where we see a lot of deficiency in populations. We have worked very closely over the last 20 years with the World Health Organization to characterize populations in which there are public health problems related to vitamin and mineral deficiencies. We've come out with—you could say—a top five or a big five, of vitamin A, zinc, iron, iodine, and folic acid. However, they're not the only ones. We're seeing the importance growing and, frankly, we're learning more from the evidence every day about the different ways in which vitamin D interacts with the system or B-12 does, and these different things. It's not to rule out the other ones, but we very much go where the biggest impact on mortality and morbidity is seen.

● (1635)

Mr. Raj Saini: I was going to suggest vitamin B-12 and vitamin C.

Outside of that, I want to talk about something a little bit more globally minded. Even in Canada 20 or 30 years ago we knew the population was not getting the requisite amount of their daily vitamin intake, so we fortified foods to make sure that in some ways the population got the bare minimum.

I think maybe five or 10 years ago there was a French company that came up with a product called Plumpy'Nut. I don't know if you remember.

Mr. Mark Fryars: I do.

Mr. Raj Saini: The intriguing thing about that product was that it could provide the carbohydrates, proteins, and fats; but you could also fortify it with vitamins.

Mr. Mark Fryars: That's correct.

Mr. Raj Saini: So you'd be killing two birds with one stone. You'd be providing food for nutrition, but the micronutrients that were depleted could also be added at the same time.

I'm sure that in an organization like yours, when you're dealing with different parts of the world, access and delivery might be challenging. You could kill two birds with one stone—the nutritional part of it would serve the malnutrition factor as well as the nutrient-depletion factor. Do you see that as being part of a—

Mr. Mark Fryars: That's a very good question.

The situation we face is complex, because some people do consume food, but it just doesn't contain much nutrition, although maybe it contains some of the other macronutrients they need. For those, we do need to fortify the foods if we can. We can fortify condiments like salt and we can fortify wheat flour, maize flour, vegetable oils, and all kinds of things for really just a few cents. For example, the cost of fortifying wheat flour per person per year is about seven cents, so if they're getting a great enough quantity of food, you can add nutritional value to it there. That's one segment of the population.

However, those in another segment of the population are simply hungry. They just don't have enough food at all. Plumpy'Nut—and, if I recall, in the Plumpy family there are several products—also replaces some of the other nutrients in addition to the micronutrients, but there the cost is very different. The cost per child per year for Plumpy'Nut is around $50 U.S.

You can see the cost differential. If you are trying to serve the needs, there are 180 million children in need in Africa alone. That's an awful lot of emergency and therapeutic feeding you would do for that population.

Now, if you could mobilize the resources, that would be great, but, if we treat this as a market, we're actually looking for the right solutions for the different segments of the market that have slightly different needs.

Mr. Raj Saini: Thank you very much for mentioning the cost, because in looking at the ingredients I know there have been some patent issues with that product. Other countries and other companies have wanted to make that product. To me, $50 seems a bit high for the ingredients in the product.

Mr. Mark Fryars: Yes.

Mr. Raj Saini: What is the challenge for the global community? Is it to try to convince the company to reduce the price or to come up with another competing product that could be done more cheaply?

Mr. Mark Fryars: Well, what I can say is that there are a number of efforts—and I believe Canada has been involved with at least one of them—to produce similar products locally at a much lower cost. Often, local production isn't necessarily cheaper, but depending on volumes and market conditions, it can actually work out to be more cost-efficient.

I know that there are several initiatives globally. We have spoken with the officials in the department about at least one of them in two countries, Ethiopia and Rwanda, where they are looking to make equivalent products at a much lower cost, because while this was a very useful product when it first came out because it met a very large need, it has been recognized by the French company as well that this needs to happen. They've also entered into licensing arrangements to allow local production at lower cost as well.

The Chair: We're going to go to a shortened round for the second round.

Mr. Miller.

Mr. Marc Miller (Ville-Marie—Le Sud-Ouest—Île-des-Soeurs, Lib.): You touched briefly on an important point, which is that Canada has a limited amount of time, money, and resources to dedicate to what is probably mankind's greatest challenge, that of eliminating or significantly limiting extreme poverty.

One of the frustrations that I think we face when we look at the countries that are selected as countries of focus is why one and not the other? For example, you look at West Africa and ask why so much goes to Mali, and why there's not enough to Burkina Faso, and then Benin, with similar and very close population numbers. Obviously, poverty doesn't stop at customs control. The question, then, is what you do with limited resources, limited involvement specialities, and, frankly, engagement in these countries.

You mentioned transitioning to thematic approaches. The issue then is where Canada can contribute its expertise. That is essentially my question for you.

Mr Fryars, you mentioned nutrition, and Ms. Riseboro, you mentioned the role of women and championing that issue. We have water issues being championed and all sorts of things where Canada can be a leader. What is your view on those three issues and on perhaps what I'm missing in that regard?

● (1640)

Ms. Caroline Riseboro: I would start by saying that we have to take a holistic approach. While nutrition is obviously a very important issue, it cannot be done in isolation. If you have children who survive to the age of five but don't have access to school, then we're not helping them break the cycle of poverty. If they don't have access to rights and they survive to the age of five but then are being married off at 12 years old, having their first child at 13, and likely dying in childbirth, that is not success.

Again, I think this is why having 20 to 25 countries of focus where we can intervene and provide assistance that takes a holistic approach will be important. We all realize that we don't have enough money to solve all of the world's issues, though, so again, I think this is where we have a unique opportunity under the SDG framework to leverage public-private partnerships and leverage ODA along with non-ODA contributions.

At Plan International, we're continuing to work on a number of innovations that bring together public and private resources to be able to amplify our impact, more recently around green technology in Kenya, where we've partnered with the largest solar provider, which is also a Canadian company, to reduce energy poverty and provide opportunities for green jobs, particularly for women and girls.

Again, I think this is where private-public partnerships can have significant opportunity.

Mr. Mark Fryars: With regard to what to do with limited resources, I'm taken with the suggestion that Caroline made about also looking at regions and sub-regions. You mentioned Burkina Faso, Mali, these countries in French West Africa.

One of the things we do is to say that we have a Sahel-based approach. We're looking at a small basket of countries, as it were. They're really relatively small countries and looking at the investment across those, because the opportunity particularly in the African continent and particularly in west Africa is that there are economic groupings of countries. So it is possible to work with UEMOA, the Francophone agglomeration, and ECOWAS. We've done that quite successfully.

These, I think, are opportunities that are sort of half multilateral and half bilateral, which allow Canada to intervene in a better, more flexible way according to the circumstances.

Also, to pick up on something perhaps I should explain, nutrition, while we focus on nutrition, it is nutrition within the systems and the countries, not nutrition as a sort of stand-alone thing. The problem that we face is that if you look in provincial governments, for example, in Canada you'll see the ministry of education and another to do with roads and water. You don't find ministries of nutrition. They don't exist.

Nutrition has to be integrated in a holistic way as described. We need girls and women empowered and with a rights-based approach to be able to decide on their dietary intake, for example. When they're informed and able to do that, their nutrition can improve. That's just to paint a picture of nutrition as something critical that must be integrated within a larger framework of social support. I hope that answers some of your question, but perhaps I missed one part of it.

Mr. Marc Miller: That's helpful.

Ms. Mondaca, go ahead, please.

Ms. Marlen Mondaca: Again, as I am coming in last, my colleagues here have really covered a lot of what I would say. On the issue of dealing with limited resources, which you highlighted in your question, and the issue of thematic approaches, I definitely think that leveraging public-private partnerships is key to being able to create greater resources to address the multiple issues that we deal with.

Having the opportunity to work with others is key. I also think engaging with local and national governments is a critical component of the work we do and critical to any kind of sustainability. I'll highlight one example. Save the Children has been working with bilateral programming in Colombia for a number of years. We are working with ethnic and Afro-Columbian minorities in a conflict-affected area of the country, in the northwest of Colombia.

We're working to really transform their education. Save the Children cannot do that alone. We have to work very closely with local educational authorities, who in turn allow us to work very directly with the schools, the principals and teachers, to really change the way that education is delivered to young kids, so that in fact it is not just an issue of access, but it's an issue of quality.

In order for that program to be sustainable, to really have impact, you really need to be able to engage with local actors, whether they be at the community level or at the government level. I think the goal of all organizations like ours is for governments to ultimately be able to deliver on their responsibilities, which in the case of Save the Children, are to children and youth.

● (1645)

The Chair: Thank you, colleagues.

We'll have to wrap it up there and thank our witnesses very much, short as the time was.

We appreciate your information, obviously, and advice. If there's anything else you can think of that we didn't get a chance to talk about, please feel free to write us and let us know. This subject is very important to us, so we very much appreciate your time.

Colleagues, we'll take a five-minute suspension and then go on with the next group of witnesses.

Thank you.

● (1645)

(Pause)

● (1650)

The Chair: Colleagues, we'll bring this meeting back to order.

In front of us we have a number of academics, whom I always enjoy meeting because they are more freewheeling. I get way more enjoyment out it, I have to admit.

I want to start to my left and have you introduce yourselves. We'll get right into this and hopefully get some dialogue going.

Mr. Aniket Bhushan (Adjunct Research Professor, Norman Patterson School of International Affairs, Carleton University, and Principal Investigator, Canadian International Development Platform): Good afternoon.

My name is Aniket Bhushan, and I am an adjunct research professor at the Norman Patterson School of International Affairs at Carleton University. I also lead a data and analytics platform at the university called the Canadian International Development Platform.

I thank you for your time.

Are we just doing introductions and then coming back?

The Chair: Yes. We'll come back to you.

Ms. Shannon Kindornay (Adjunct Research Professor and Independent Consultant, Norman Paterson School of International Affairs, Carleton University, As an Individual): Hi. I'm Shannon Kindornay, an adjunct research professor at Carleton University. I also happen to work with Aniket and am also an independent consultant. Prior to this, I was with the North-South Institute, which many of you may remember, for about five years.

Dr. Benjamin Zyla (Professor, School of International Development and Global Studies, University of Ottawa, As an Individual): My name is Benjamin Zyla, and I'm a professor at the School of International Development and Global Studies at the University of Ottawa. I'm also co-directing the failed states research network with the Centre of International Policy Studies.

The Chair: Thank you.

Professor Bhushan, you'll start, and then we'll get right into questions from there.

Prof. Aniket Bhushan: I should preface my remarks by saying that we have also submitted a lengthier version of the remarks. I'm coming from the background of a data and analytics person, so you might find that pervading some of my remarks here as well. The lengthier version is there for you as a resource to have at your discretion.

What I'd like to do is to really situate what I'm going to say in two segments. The first is the challenge. The second is the recommendations—what should Canada do?—if you accept my proposition in terms of the challenge.

The first thing that I think may be worth asking is, do we even really need such a thing as a country of focus list, a prioritization list? So much of assistance now is responsive. So much of what we finance is due to emergencies, which are inherently unpredictable. Do we really need such a prioritization framework?

I would argue that a disciplined commitment to long-term development, especially when budgets are stretched because we have emergencies and humanitarian situations that take up so much of the resource need, is precisely the reason why prioritization is important and precisely the reason to think about the countries of focus list.

What is the problem with the current approach? To summarize, the current approach is based on a threefold formula: the country's need, its ability to benefit from Canadian assistance and from assistance overall, and its alignment with Canadian foreign policy.

What is the problem with this approach? Well, it has been argued, and I agree, that this is way too broad and vague an approach. It leads us to a place where, in our focus on partner countries, we have 37 priorities and partners in all.

There is a lack of transparency about how the approach is actually applied. Really, any country you can think of can be put onto a focus or partner list because the criteria are so broad. In the rationale for how this links to 90% of our bilateral budget—it's actually even contestable whether it is 90% of the bilateral budget—there is no sense of a hard analysis. There is no costed sense of objectives in linking priorities and resources.

I would argue for some other reasons that there are problems with this approach. For what I call the “macro level contextual changes”, which others have talked about as well, let me go through them very quickly.

One, global agendas are getting broader and broader, so they have a tendency to want to make us go wider and thinner. The best case in point is the SDGs, the sustainable development goals agreed to last year at the UN. The COP process on climate change is another one that is an example of agendas getting broader, bigger, and demanding more resources.

Two, the rules of what counts as official development assistance are changing. We can get into this more in the Qs and As.

Three, diplomacy and geostrategic interests can have an impact on broadening and going too wide and too thin. An example of that is linking the idea of our aid allocation and our resource needs in terms of our aid budget to, for instance, winning a seat at the UN Security Council. It's a very bad idea to link those two things together.

It's easy, I would argue, to say too that we want to focus on the poorest and on fragile states, but consider this fact: since 2000, the number of LICs, low-income countries, has more than halved. We had 63 low-income countries. We now have about 31 low-income countries. The number of countries in that category has halved. Halving extreme poverty was also achieved ahead of the millennium development goal target, as others have also pointed out.

In my view, country-level analysis may be insufficient in the situation that we find ourselves. The best projections point to the fact that global extreme poverty will be increasingly concentrated in a small number of very fragile contexts—I would say “contexts” and not “states”—and in hard-to-reach pockets of deep and persistent poverty in large middle-income countries. This is all something that all of you have heard.

In the SDGs, there is also a new framing of our level of ambition, which is to end extreme poverty by 2030, that is, to leave no one behind. It also means that it is beset with a new problem and a new challenge, which is what I call the “last mile problem”. The closer you get to zero, the harder it is to reach zero. This is the context within which I'm situating the challenges we face.

● (1655)

I've done a quick analysis of our current lists or our current focus. I'll go through this very quickly. I hope you can ask me about it during questions. A lot of the data is there for you to refer to.

I want to point to what our analysis shows as eight generalizable characteristics across our current focus and partner countries. These are rapid population growth; rapid urbanization; serious social and economic hard infrastructure deficits; youth bulge; serious challenges surrounding gender issues, gender rights, and equality; vulnerability to climate change; limited state capacity and fragility; and endemic corruption and governance challenges.

In addition to this, our analysis takes into account a set of factors to essentially see how good at prioritization the framework is. We take into account fragility, human development, income poverty, non-income poverty and deprivation, and aid dependence. In summary of that analysis, the complete version of which you have in front of you, when I look at it on a quadrant or two-by-two axis and look at where very high and very persistent poverty is, countries that are also very highly aid-dependent and where Canadian aid is significant—that is, accounting for more than 5%, for instance, of the total assistance received by that country—I come up with only four countries. These are Haiti, Mozambique, Mali, and South Sudan. In each of these countries, Canada ranks among the top 10 donors.

You have my analysis there for other buckets of countries where I similarly do the exercise to situate all our current focus and priority countries. The conclusion is that Canada is among the top 10 donors in 15 out of the 25 focus countries and only two out of the 12 partner countries. This implies that for 20 out of our 37 focus or partner countries, we're not amongst the top 10 donors.

If we look at it from the perspective of targeting poverty and targeting fragility, Canada does reasonably well, even with these criteria, insofar as the share of assistance spent in these areas when compared with other donors. So why the whole business of a new approach? I would say that because we have a changing global context, because we need a more disciplined and transparent approach, and because a new and fresher approach to that is more disciplined, more in line with, and takes into account the changing global realities, this would make Canada a more credible and potentially a more predictable partner on the international stage.

What should we do? I have three recommendations. I'll go through these in order.

The first one, which echoes what many have said already, is the need for a long-term approach, but not only a long-term approach, but also clear, transparent, specific and, I would underscore, a disciplined and serious approach. I mention the latter because I think that is the key gap in the current approach. To reinforce a commitment to long-term development means thinking in time frames of about five years in the case of low-income countries that are not fragile, and at least 10 to 15 years in the context of fragile states. This means that aims should be linked to the time frames and our resources. We can set, and we should set, clear quantitative targets from the outset that will in turn drive discipline, transparency, and accountability. This means that we need to identify and cost key gaps, and then benchmark how much Canadian assistance can be spent in meeting those gaps.

We should remember that development outcomes, at the end of the day, are for our partners and our end beneficiaries in countries, not really for Canada. These are only achievable if we have an equally serious, disciplined, and committed partner at the other end of the table, so to speak. We should simply refrain from investing in contexts where we can't find such partners. If this principle were applied, we would get a different list, in my view.

Second, I argue that we need greater focus through a combination of what I call a differentiated approach and an integrated strategy. A differentiated approach is essentially one that is built around the realities that different countries are in. Bangladesh, for example, is no longer an LIC, a low-income country. Nobody believes there aren't serious issues to be tackled there, but it's not a low-income country. Bangladesh also benefits from market access to the Canadian market. In terms of trade, Bangladesh exports into the Canadian market about 10 times what our aid is to the same country.

● (1700)

This approach reflects more a reality of a graduated sense of where countries are by types of relationships. This approach is not new. It's something other donors do. For instance, the Netherlands has a very similar approach. My suggestion is that in taking such an approach, we would get three buckets, or three groups of countries: the first, fragile countries; the second, low-income, non-fragile countries; and the third, transitional countries.

The reason this approach fits with an integrated strategy is really summed up by the point that development policy in an integrated approach is bigger than just aid policy. In an integrated approach, we would ensure that both concessional and non-concessional resources are aimed toward development outcomes. We would ensure that we do not only projects, but also technical support. We would ensure there is coherence between our aid policy and trade policy.

If asked, I can give you examples of where we lack that coherence currently.

Finally, for the third suggestion, in the context of fragile states, I think we need a specific strategy. Fragile contexts and states are really in a unique situation, very context-specific, and more importantly, very fluid. Things change faster and more dramatically than we can really account for.

Absent a hard-nosed analysis of what we want to achieve and whether it is achievable given the time and the assets that we have to dedicate, investment in fragile states comes at a high opportunity cost. This is not to dissuade investment in fragile states. It's simply to set more realistic expectations and have a healthy appreciation of time frames and risks that make engagement in fragile states quite fundamentally different from engagement elsewhere in the developing world.

Let me sum up.

Applying my criteria, I get three groups: one approach for fragile states; a set of non-fragile, low-income countries; and a set of transitional partners. If you ask me what this means for the number of countries, I would hazard that for the type of budget we're looking at in terms of the current status quo, say, three and a half to four billion in bilateral assistance, or about $3.44 billion, according to the latest data on development projects specifically, it would be about 12 to 15 countries.

In this regard, I should also caution that change should not be taken lightly, as it affects partnerships, affects predictability, affects credibility, and it has real transaction costs in terms of being able to move and shift strategies. Also, it's simply the fact that most assistance, as many of you probably already know, is quite path dependent. About 30% of the budget is simply continuation of projects already in flow. So change should be taken very seriously.

I'll leave my remarks at that for now.

● (1705)

The Chair: Thank you.

We'll now move on to your next colleague.

Ms. Kindornay.

Prof. Shannon Kindornay:

Thank you for inviting me to offer my perspective on your timely study. I'm sure that your findings will make a valuable contribution to the ongoing international assistance review policy.

I'd like to address two of the proposed questions. One was around how Canada's international assistance can be designed to work in different types of countries. In support of what Aniket has said, I will touch on the integrated differentiated approach. I'd also like to speak a bit around the question of agenda 2030 and how we can ensure that our efforts support the implementation.

One of the benefits of appearing before this committee following so many excellent contributions is that I'm afforded a chance to both emphasize some points that you've already heard but also to offer you some new perspectives.

There has been quite a bit of debate on the question of whether focusing on particular countries has merit in the first place. Some have called for Canada to focus on the poorest regardless of the countries they live in, given the changing geography of poverty. Others have noted the lack of evidence around whether the country-of-focus approach actually leads to more effective aid, but they have, of course, recognized the logic of the approach. It allows us to have greater resources, and, as such, influence in the countries in which we work, facilitates development of expert knowledge, and has the potential to reduce administrative costs.

This may not be enough to ensure aid effectiveness, but it is likely contribute to it. We have limited resources, and we need to choose to spend them wisely to reach scale and impact. However, I think it's worth further emphasizing that the focus question is not just about our perspective on the role of the donor. It's actually about the burden that's placed on our developing country partners who have to spend a significant amount of time reporting to all of the various donors that they engage with. Really, we need to make it worth their while.

I do not have a strong opinion on the number of countries that Canada should focus on. Aniket certainly knows the data much better than I do, and I would encourage you to have a look at the background document that he submitted. For me, rather, I think it's time for Canada to take an approach to international co-operation that's grounded in a recognition of the needs of partner countries and that they have changed significantly, and that it's high time we moved beyond aid in terms of how we think about international co-operation.

Like Aniket, I would argue that Canada should take a differentiated and more integrated approach to international co-operation, which articulates our objectives and the modes of co-operation that Canada will use when engaging with different types of countries. You've heard about the Netherlands example in terms of this differentiated approach. You have your aid countries, those for which the main form of engagement is around external assistance, recognizing that these are countries with less capacity and in greater need of external assistance. You have your transitional countries, your low and middle-income countries that we would call emerging, and for which co-operation might include other things like trade, investment, and aid working alongside.

In the case of the Netherlands, they actually also include another category that they call their trade relationships, which are basically the countries that they promote investment and trade in that are, of course, contributing to benefits in that country. For the committee's knowledge, Vietnam and Columbia as well as Canada fit in that trade category. That's maybe something for us to think about.

I'm not advocating that we adopt the Netherlands characterization lock, stock, and barrel, but I do think we need a similar kind of approach. I agree with Aniket that in the case of Canada, we need a separate bucket, if you will, for fragile and conflict-affected states versus those that are not experiencing conflict but have greater government capacity to absorb assistance.

The differentiated approach should be rooted in a clear set of criteria that outlines, for each type of relationship, the rationale for that approach and the countries selected therein. Moreover, there should be clarity on the kinds of tools that we are looking to use when we talk about these different relationships. For example, in aid countries, we might use a mix of traditional forms of assistance, supporting countries to reduce poverty, reach those that are being left behind, and create an improved enabling environment for trade and investment. In transitional countries, Canada might pursue enhanced trade relations but also make use of the development finance institution that we've been promised. In this context, aid becomes a very strategic input that you're using to target the poor in those countries, of course, but you're also leveraging other forms of finance and supporting your partners to raise domestic resources.

● (1710)

Once these relationships are selected—I think you've heard this a number of times—they need to be long term. As a country transitions from one category to another, perhaps owing to success or setbacks, that doesn't mean they should be abandoned.

Finally, the differentiated approach should work in conjunction with other forms of assistance. That's something else you've heard. We need to consider how we're working with civil society organizations, multilaterals, regional organizations, and how we're addressing global efforts to realize or address global public goods challenges, for example.

I think it's helpful to highlight the merits of this approach for your consideration.

First, the differentiated approach moves us beyond a conversation of aid alone to a more sophisticated discussion of how our development, trade, foreign policy, and other priorities intersect. The approach requires us to think about how policy levers can be used to realize mutual benefit for us and for partner countries. The Netherlands approach was the result of a major review this country underwent to look at how they engage with the world in every domain: agriculture, environment, migration, aid, and so on.

If Canada were to take this approach, I would caution that we too need to properly review how our engagement works with the world, and avoid jumping to a list of countries, based necessarily on our existing list of focus countries or the trade negotiations, though I do agree that there needs to be continuity. We would need to consider, of course, the perspectives of the partner countries themselves. Unfortunately, the international assistance review does not sufficiently capture the beyond-aid domains for this purpose.

Second, such an approach has potential to improve transparency to Canadians and to our partner countries by recognizing our multiple interests and being transparent about them, and clearly articulating a coherent approach to Canada's engagement with the world, one that I think we can expect or at least should be able to expect, given that we have the joined-up ministry that we do.

Third, a differentiated approach allows us to tackle the question of poor countries and poor people, something you've heard a lot about. It means addressing the needs of both. Rather than using strict categories of least developed, fragile, middle income, and so on to determine how we engage, we should look at the many factors in setting out this differentiated approach, one of which would be pockets of poverty. We can make provisions to target poverty in all countries, including those that may end up in any category.

I recognize that there are risks to this approach and many have talked about the need to conserve the Canadian brand, to ensure that our development assistance is guarded from other policy interests. Frankly, I don't buy that this is some kind of zero-sum game. Of course, assistance should be provided according to the ODA Accountability Act and it should target the poorest. That said, we are missing a world of opportunity if we are not better at effectively linking our interests across policy domains. We are also doing a disservice to our partners, many of whom feel it's time for this sophisticated discussion.

There's always a risk that aid will be used for commercial or security interests, but on the other hand, the differentiated approach is also about the impact for other policy domains. Last November I visited the Netherlands for a study looking at private-sector engagement in development, and I remember when I was speaking to the aid people, they of course talked about the need to bring in trade or commercial interests or work with their own companies in their development assistance, and many highlighted that this was a positive in sustainability. Perhaps we can get into that in the Q and A, if there's interest.

But then when I spoke to the “trade people”, they saw it as their remit to be bringing conversations around sustainability and development into the trade negotiations and conversations they were having with their trading partners as well as in multilateral forums.

The differentiated approach isn't about using aid in the service of other interests. It's about recognizing and working with different objectives to realize mutual benefit and maximize the outcomes of international cooperation, using all the policy levers in a coordinated way.

I'd like to end with a couple of points about agenda 2030 and our bilateral assistance programs. I understand that you're very familiar with agenda 2030. You've heard a number of people speak about the merits of that agenda. So I won't go into that. I wanted to flag a few points for us to consider.

First is one of the risks I see in how we engage on this agenda. There's a real risk that countries like Canada will reframe what they're doing to fit with the SDGs, rather than making any real changes. We saw this with the millennium development goals. The risk is greater this time because the SDGs, as you rightly pointed out, Aniket, cover everything. We could just keep doing what we're doing and say that we're doing it to meet the sustainable development goals. We need to be careful of that and we need to recognize that the goals and the principles of that agenda suggest that we need to do things differently.

● (1715)

Second, our approach to bilateral assistance can be informed by the targets of the sustainable development goals themselves. If I take the example of goal 17, which is on implementation, it includes things like enhancing policy coherence for development, strengthening domestic resource mobilization, and mobilizing additional financial resources for development. These are all things that we could be contributing to through a differentiated approach.

Another target, which relates to my third and final point, is actually about respecting country policy space, and the need to support countries that take leadership on their own national sustainable development plans. Canada's bilateral assistance needs to align behind our partner countries' national sustainable development plans. For me, this does not mean that Canada should get engaged in every sector, but rather that we should contribute to supporting our partner countries in the sectors where we have expertise, and according to their plans.

Our thematic focus is currently wide enough that I'm actually not worried that we would be unable to fit with national priorities in our partner countries. Rather, we should recognize the importance of ensuring that we have the appropriate expertise within government, harnessing it from across Canada, and ensuring that we're able to bring that expertise to the countries that we work in. The bottom line is that supporting the SDGs means supporting country ownership and aligning our assistance efforts as appropriate.

Thank you for your time. I look forward to your questions.

The Chair: Thank you very much.

Now, we'll go to Mr. Zyla.

Dr. Benjamin Zyla: Mr. Chairman, and honourable members of the committee, thank you very much for the invitation to appear in front of you today.

I appear in front of you today as a researcher, somebody who works on the security-development nexus, and particularly on fragile states; on questions of international peace and security; and human security, in particular.

Obviously, I'm aware of some of the discussions you've had in the past, some of them with my colleagues who have appeared before the committee.

Instead of repeating some of the points they have made, what I thought might be useful for the committee as a whole is to draw out perhaps some of the bigger questions or some of the bigger pictures that at least to me lie at the heart of the debate of Canada's development aid and where this aid should be going, and of course some of the lessons learned.

Lots of people tend to forget that we've just come out of, let's call it, a “huge development puzzle” if you wish, which is of course the operation in Afghanistan, which has been ongoing since 2001. What I thought I would do in the seven minutes or so I have left is to draw on some of those lessons or some of those points that are sticking out for me and some of those current research projects that I'm engaged in right now.

In particular, I will offer some reflections on why states fail in the first place, because most often it is those states, what we call fragile or failed states, where the majority of our development aid will actually end up and where we will end up as a country in terms of being engaged politically and militarily, and from a development point of view. In other words, we need to understand the causes of those states' experienced fragility in order to help them to get back on their feet, which, in turn has implications for where, when, and how Canada spends its development aid.

I will briefly then talk about what are fragile states, why they are important and why they have popped up, and perhaps some of the pointers of what the literature says about why and how we should deal with them.

I will also talk about—and this will nicely correlate with what my colleagues have been saying—the so-called comprehensive or whole-of-government approach; and last, but not least, the so-called terrorism-development nexus.

First, why do states fail and what do we know about why they fail? Let me start by saying a few things about conflict management in general. Development aid is certainly part of conflict management, point number one. Point number two is that conflict management is a full spectrum exercise, which lots of people tend to forget. Conflict management is not only a sectoral approach, but a comprehensive approach to overcome situations of fragility. Point number three is that Canada, obviously, is part of this full spectrum exercise. Point number four is that Canada is also engaged in conflict management as part of a multilateral undertaking. To think that Canada can do things unilaterally, on a sectoral basis or on a geographic basis, perhaps needs to be rethought. Finally, point number five is that conflict management is a practice that Canada has been involved in over the past, let's say, 15 to 20 years through two or three major international organizations—on the military side, obviously, with NATO, and on the political development side with the UN and to a lesser extent the OECD.

That said, let me take you through a quick ride of why and how fragile states are important. First, weak or fragile states are not a new phenomenon. They have been around for quite some time. If you look at the data, some people say they appeared in the 1940s, but, certainly, the decolonization period between 1940 and 1970 gave birth to a large number of financially, bureaucratically, and militarily weak states that were incapable of providing public goods for their citizens.

Obviously, the term “fragile states” or even “failed states”, has achieved importance or significance in the context of 9/11 where, of course, an American discourse was imposed on that subject.

● (1720)

Certainly the point is that since 9/11, fragile and failed states have been on the policy agenda, and certainly also on the academic agenda. In general, civil conflict costs the average developing country, roughly speaking—and I'm generalizing here—about 30 years' worth of their GDP growth, which is a very significant number if you have developing countries on the map. Countries in protracted crisis can fall over 20 percentage points behind overcoming poverty. So, again, this is a significant number. There is also a 0.07% drop in GDP for every neighbour that experiences conflict.

What is a fragile state, and why are fragile states important? A definition of a fragile state is a state that is “unable to meet its population's expectations or manage changes in [those] expectations and capacity through [a] political process”. This is the official definition by the OECD.

Why is this important? It's important because 25% of the global population lives in a fragile or violent state. Of the civil wars that occurred between 2001 and 2011, 90% were in countries that had already experienced a civil war within the past 30 years. Roughly 75% of the world's refugees are in neighbouring countries of fragile states. Syria, obviously, is a current example.

Let me walk you quickly through what causes a fragile state. The research on fragile states—and certainly the causal factors that lead to states experiencing fragility—is not only highly debated, it's also very context-specific. There are numerous what we academics call “variables” that can be quantitatively or qualitatively tested, which affect this process of state fragility. However, one can dissect a number of those important variables that stick out.

First of all, low GDP and high levels of political instability increase chances of civil war. Second, extreme poverty and poor social conditions facilitate conflict by providing easily motivated recruits for civil wars, often due to the lack of economic alternatives. Third, states experience fragility if there is a lack of control of natural resources; in other words, if certain parts of society engage in debates not only about who should control those resources but also about who should receive some of the benefits of those resources. Last but not least—and this can obviously be summed up by the term “greed”—there is systematic discrimination against certain societal groups, which leads to states experiencing conflict.

However, all of these variables are not sufficient for conflict or for a state to experience fragility. For that to happen, you need the social contract within states to be broken, i.e. for there to be weak social cohesion, the breakdown of state institutions, and the absence of delivery of public goods. In short, we could also say that weak states—that is, organizationally, financially, and politically weak states—are more likely to experience failure.

What obviously contributes to the failure of a social contract? That's kind of at the heart of the question here. First of all, there are weak and corrupt governments. Second, there is failure by the state to actually provide security for its people. Third, state institutions discriminate openly and deliberately against particular ethnic, religious, linguistic, and social groups. Fourth, there is a concentration of power in certain parts of society, and other groups in society feel that they've been neglected. Last but not least, there is an unjust distribution of resource wealth.

● (1725)

It's also interesting to note that evolving democracies—and some of my colleagues have talked about this—are more conflict- or war-prone than are autocratic states. Why is that so? It's so because there is a contestation for domestic political influence. In other words, countries that are transitioning toward becoming a democracy are highly vulnerable. They should be highly focused on their vulnerability to lapsing back to conflict and state fragility. Moreover, the odds of a civil war are 5.2 times higher in the first two years of state independence. That is often neglected in the discussion.

However, to be sure and to drive home the point very clearly, ethnic and religious diversity within a state is not by itself a sufficient contribution to cause a state to either lapse into conflict or even to fail.

Why am I drilling on this? The point here is that international interventions, and I would subsume development aid as a form of international intervention, should address rebuilding the social contract of fragile and failed states with the following aims.

First is obviously to increase the effectiveness and the accountability of the state. That is to invest in citizens' security, justice, and jobs.

Second is foster the development of good and effective local institutions of the state. Often that's been summarized under the heading of “state building”—which in turn will help the state to increase its resilience against external shocks. External shocks or resilience means the ability to cope with domestic and international changes. Some have argued in the literature it is almost more important than poverty reduction in itself or addressing poverty reduction.

Third, one should increase the legitimacy and the political governance of the state, that is the rule of law, security sector reform, etc.

Fourth, as an intervenor we need to understand the specific historic and political dynamics that are at play on the ground in fragile states. I submit to you that this is certainly something that we as Canada didn't understand, and we're not the only ones who didn't understand this, in the context of Afghanistan. This is important because if we want to rebuild this social contract, we need to understand who these groups are and how these social groups interact with one another, how they stand vis-à-vis each other and what their responsibilities are, etc.

Fifth, we should think of limited economic assistance. Here again I'm thinking of the case of Afghanistan. Canada is certainly part of this, but obviously it's not the only country that has contributed to this problem, but we have essentially created a rentier state that is highly dependent on development aid. It's not able to generate its own capacities.

Some have argued that certain types of peace operations need to help internal and external security, and certainly Afghanistan is a case in point. Some have even gone so far as to call for a UN trusteeship. I wouldn't go that far, but I'm just putting this forward.

Now obviously in this entire process to rebuild state-society relations, you need not only to address local elites that obviously have an important role in this process, but also need to understand the long-term conditions that lie behind states experiencing fragility.

Which comes first you may ask: is it security or is it development, or do both come at the same time?

The lessons from the 1990s, and here I'm thinking about the Balkans and our experience in Afghanistan, is clearly that we need both at the same time. We cannot just think in stovepipes. We need to think of security and development coming at the same time and addressing these issues at the same time.

This leads me to my second point about the so-called comprehensive approach or the whole-of-government approach. Here again, I'm drawing on a project that I'm doing right now comparing NATO member states' comprehensive approach in Afghanistan since 2001. Certainly one important lesson learned from the Afghan operation is that Canada's development, humanitarian, and peace and security programming need to be in line to be able to make an impact on a very specific country.

● (1730)

What we have seen too often in the past, and again Afghanistan comes to mind, but also the Balkans in the 1990s, is that each individual department—here I'm talking about the Global Affairs Canada, the Department of National Defence, and Canada's development institutions—seems to work in national stovepipes. What we actually need is an overarching approach, not only a policy framework, but to have our institutions working effectively with one another on a particular issue, on particular fragile or even failed states, to bring their expertise together, because we do have the expertise in the Canadian government. It's a question of organization. It's a question of management.

Put differently, departmental work in the individual stovepipes is not the way to go. It's something we have learned from Afghanistan, but it's something we haven't really overcome, and it is certainly one of the lessons we need to address.

At the end of the day, I suggest that leadership is vitally important here. Personalities do matter, and you need people with experience in the public service to provide this sort of overarching managerial framework.

Last but not least, I should say that obviously, the comprehensive approach or the so-called whole-of-government approach is a political process that provides a strategic imperative for any government involved in fragile states. It is precisely in this context that we observe what my colleague Stephen Brown has called the “securitization” of development aid that has taken place and has become a problem, again in Afghanistan.

As some numbers suggest, the financial spending in Afghanistan on security-related issues, that is the military police, etc., was 10 times higher than the money spent on foreign aid. There's also an argument to be made that the securitization of development was more about the security of the donor rather than the recipient country.

My third point is on the terrorism-development nexus. In the literature what we've seen is that the terrorism aspect is replacing poverty in that sort of security-development nexus. That means there's a shift in development assistance towards fighting global terrorism, and again this is something we have seen in the context of Afghanistan. Security becomes a priority over development aspects.

Contrary to the accepted wisdom in some parts of the public, terrorist organizations by and large do not reside in fragile states. Why is that? It's because even terrorist organizations need a very basic infrastructure to run their organization. So they are, and I hate to use the word “attracted”, certainly driven to fragile states, but not to failed states, because again, they need this basic infrastructure.

What, if anything, can development aid and development policy in general do to address the terrorism problem? I will put forward four or five points to you...in the question and answer period.

Voices: Oh, oh!

● (1735)

The Chair: That's better. Thank you very much.

I know you professors are used to the hour-long lecture.

Voices: Oh, oh!

The Chair: I will give you a 10-second lecture. Your time is up.

Let's go right to questions.

Mr. Kent, please.

Hon. Peter Kent (Thornhill, CPC): In the interests of time, I'll limit myself to one question. It is for Professor Zyla, and it continues along the lines of the terrorism-development nexus. Development has always been challenged in conflict and post-conflict, post-disaster, fragile states by political vacuums, governance vacuums, corruption and so forth.

You began to describe the new phenomenon of al Qaeda-type terrorism and its variants and replicants. With ISIS, we're now seeing copycats coming up in different parts of the world claiming to be associated with it. Perhaps they are; we don't know. We're now seeing states, for example, Libya, South Sudan, Congo, where there are not simply domestic, national terror organizations, but there are also those that are following the ideological or non-ideological lead of more successful terrorist groups in other parts of the world. We're almost getting into hemispheric cross-pollination.

I'm wondering what your conclusion or your prediction is in on how that is going to have an even further impact on share of the big development aid envelope. In other words, is every program susceptible to this new and spreading terror phenomenon?

Dr. Benjamin Zyla: I think the problem is not going to go away any time soon. It's not going to go away, and it's certainly spreading in the Middle East. We've heard some news over the past weeks or so that Libya is now being affected by certain terrorist organizations setting up shop in that country. Whether or not that is true, I have no idea. I'm not privy to that classified information.

I think there are some points to be learned from addressing terrorist organizations. One of them, obviously, is the need for a comprehensive approach. We can't just think of development policy addressing this issue and not think about foreign affairs and other branches of government, because obviously it's a whole-of-government problem, so it's a whole-of-government approach that needs to be taken.

One of the things I've been looking at is that civil society certainly plays a role. Civil society on the ground plays a role. Again, we have to be very careful that we don't replicate the problem that we created in Afghanistan, whereby we create a rentier state that is dependent on the foreign aid that is coming from outside. We need to think of local civil society taking charge of that because, in and of itself, that will increase aspects of legitimacy. It will provide public goods for the citizens.

Second, I know this is a very contentious issue, but we need to think about it, and certainly there is evidence out there that certain types of NGOs—I'm not generalizing that all NGOs do that or are experiencing that—have collaborated with certain types of terrorist organizations. There's evidence out there. If you read the report of the Financial Action Task Force, which came out I think a year or two years ago, you see that it clearly identifies those organizations and provides about 40 or so recommendations for what to do about them.

There are also numerous researchers who have tried to understand the poverty-terrorism nexus. In other words, does an increased level of poverty actually lead to larger occurrences of terrorism? The answer is that there clearly is no link between those. In other words, just because your country is poorer, it does not automatically mean that you experience more incidents of terrorism, and the reverse is true as well. Quite to the contrary, actually, some researchers have found that countries with higher national incomes actually experience higher amounts of terrorist incidents.

What we do see, however, when it comes to fragile states, is the correspondence between the state's fragility and the state's experience in situations of national emergency. Think about earthquakes and natural disasters and those types of things. There seems to be a strong indication that terrorist organizations have exploited these situations, these experiences, to gain momentum and to gain ground in those countries.

There's also evidence that FDI—foreign direct investment—and trade have no direct effect on the reduction of terrorism. That's contrary to what some people believe, but that seems to be where academic research is going in terms of the findings.

● (1740)

The Chair: Thank you, Mr. Zyla.

We'll now go to Mr. Levitt, please.

Mr. Michael Levitt (York Centre, Lib.): I'll limit myself to one question so that we can go around the room. My question will be on the dynamic between human rights and our ODA and countries of focus.

We've done some work in the Subcommittee on International Human Rights of late, particularly on some of the significant human rights challenges being faced in Honduras and Myanmar. Of course, both of those countries are countries of focus for Canada.

I'm wondering if you can—you're welcome to take it on—give us some perspective on the leveraging of development assistance in trying to achieve better outcomes for human rights, such as carrots versus sticks, etc. It's something that we're mulling over right now: how to go about bringing these two things together.

There's a country like Myanmar, where, again, we have a renewed interest and a renewed relationship, and democracy is kind of starting, but we're seeing increasingly difficult human rights situations—for example, with the Rohingya population—and in fact fairly catastrophic human rights situations for them. Could we have your thoughts on those countries in particular, or just in general, as to how we bring these two things together?

Prof. Aniket Bhushan: Let me take a shot at that in maybe a bit of an indirect way. There's a school of thought out there, like my colleague is talking about, on the idea of sequencing and prioritization, putting the cart before the horse, what comes first sort of thing.

There's potentially a school of thought that says there is one way of looking at human rights in terms of violations of those rights and the very narrow perspective of looking at certain groups and what's happening in certain targeted areas within these contexts. Then there is a broader sense of the general trend of where these countries and societies and populations are going. Is the impeding of various rights that we are seeing something that is systemic and systematic, or is it more targeted?

I would say that in terms of the sequencing and prioritization, focusing on general approaches, that is, broad-based economic development, broad-based growth, broad-based inclusive development, in a country like Burma/Myanmar, will take it on a path where there's very little that we can do without getting into very contentious waters very quickly. If you take my premise of whether we really have the partners to be able to engage with that problem and that situation in a way that we can do something about it in a targeted and isolated manner, you're better off investing. If I were controlling the portfolio, it would be at a more aggregate level, in looking at ensuring that the country generally is moving in a direction that is in tune with where we want to see it go and to have reasonable expectations.

The other option would be to set conditionality—and that's a slippery slope. On the one hand, from a government-to-government relationship perspective, you want to be able to support the capacity of this government to get to that stage. I would tread very cautiously in taking a rights-based approach, in that narrow sense.

● (1745)

Mr. Michael Levitt: Does anyone else want to have a quick shot at that, or is everyone in agreement?

Dr. Benjamin Zyla: Perhaps I can put out a think piece.

It goes like this. Development policy and foreign policy in general, depending on what sort of focus you have, is a political decision. The number of countries that need assistance, broadly speaking, is humongous. Just look at the failed states research index. It lists all of those countries. It measures those countries that experience state fragility, and I have the list here in front of me. There are at least 32 or so that you can get involved in various kinds of aspects, whether it's human rights violations, experience in certain types of fragility. At the end of the day, which countries you pick is a political decision. It's a question of where you want to put your focus as a country, or perhaps as a government.

I'd suggest to you that the countries that come to mind that perhaps are—I don't want to say more important than other countries, which is an awkward way to put it—experiencing higher fragility and a lot of problems right now are the obvious countries: Iraq, Syria, Sudan, Libya, Afghanistan, and Darfur. We used to have a strong record in Darfur. Now South Sudan seems to have fallen off the map.

The question of how much you want to be involved in those countries is a question of how much you have in your envelope. The answer is that there is never ever going to be enough in a national envelope, so you're going to have to think about strategically whether you do this country by country, or region. Whatever framework you pick, at the end of the day, it's a political decision.

The Chair: Thank you.

[*Translation*]

Mr. Aubin, you have the floor.

Mr. Robert Aubin: Thank you, Mr. Chair.

I would like to thank the witnesses for being here today.

I have two questions and they will be brief. Then, Mr. Chair, I will then let you manage the witnesses' time.

My first question pertains to the differentiated approach to which two of the witnesses referred.

Do the three stages of development represent obligations? For the current problem with the 25 countries of focus, is the thinking that we can't withdraw before we attain our objectives? When we help a country using a differentiated approach according to the three development stages, have we had an obligation, from the outset of our involvement, to attain the first development stage?

My second question came to mind while listening to professor Zyla discuss Afghanistan, among other things. Curiously, when we take part in an armed conflict, our action is usually multilateral. Yet when it comes time to rebuild through international development aid, our action is bilateral. Shouldn't we review this aspect and provide multilateral assistance also? In some cases, Canada could be a leader in a country and a partner in another.

● (1750)

[*English*]

Prof. Shannon Kindornay: I can take the first one on the obligation to see through the different stages.

From my perspective, we're talking about a relationship that has great breadth and depth. For me, if you're talking about a long-term relationship and this is also part of your premise, then it does make sense for a conversation with a country that's done quite well and is moving through the aid stage, if you will, into the transitional stage. There's a lot of logic behind following that path, keeping in mind that the end path is one in which aid isn't the main modality of cooperation at all, if there at all. Then you would just have a relationship with more investment and trade in the way we would think of having one with other high-income countries. That's the point, to a certain extent, that we're trying to work with countries to get to.

For me, I don't know if I would use the word “obligation” to follow through the stages, but there's a certain logic to doing that. It doesn't mean there aren't going to be other considerations that come up in the five to ten-year time period that we are working in with these partner countries, but I think there is a lot of logic to seeing that partnership through, especially recognizing that you are increasingly becoming more integrated or more engaged with one another by using different policy levers.

Prof. Aniket Bhushan: Just on that question, I agree with what my colleague already outlined.

Part of the rationale in suggesting this differentiated approach is, obviously, how do you square this dilemma of where poor countries are versus where the poor people are. I say this because there are such deep-seated pockets of poverty in ostensibly fast-growing, middle-income, emerging economies with space programs and what have you. That's where this is coming from.

In my view, in suggesting a differentiated approach, it has less to do with this idea of the obligation of being in every stage and has more to do with discipline on our end. By taking a more integrated and more differentiated approach, it will force us to think in certain ways about our engagement with those various groups of countries.

To give you one vivid example of that, we currently prioritize market access, trade relationships, and aid for trade. We give millions of dollars in our ODA aid money to countries so they can have better trading relationships with and better market access to the Canadian market. Two countries on our focus list that have been important recipients of this type of support are Indonesia and Vietnam. To give you a sense of the lack of coherence in this, I did an analysis of the data for these countries and compared the totality of what we give in aid for trade to these countries and what we collect from them by way of import tariffs from the few imports these countries are competitive with in the Canadian import market. We take away more by way of import tariffs than we give in all the aid for trade that we gave to those countries.

My point in talking about a differentiated approach is to focus ourselves and force ourselves and our department to think about a more disciplined way in how we look at engagement in a more holistic manner.

The Chair: *Merci.*

We'll go to Mr. Fragiskatos for the last question.

Mr. Peter Fragiskatos (London North Centre, Lib.): I was glad that you looked at the criteria for the countries of focus approach that have been applied so far. Obviously, it's very problematic when we look at their need, capacity, and alignment with Canadian policy interests. We've had almost no one appear before the committee who has defended that kind of an approach.

Then you pivoted to speak about the Netherlands and defended their approach as a particular example or model that Canada could look to among the alternative that exist. I'm very interested in the three types of relationships that the Dutch have as part of their development policy, in particular, their aid relationships mainly with fragile states.

Professor Bhushan, you said in your presentation that fragility can exist in contexts and not necessarily states. Prior to your testimony today, we heard from Save the Children whose witness said that there was fragility not defined by borders. I just wonder if you could speak about this and whether or not you would counsel a state like Canada to focus on regions. When you say contexts, I take that to mean regions. If you could comment on that, that would be great.

As a follow-up, are trade relationships indeed the third part of the Dutch aid policy?

● (1755)

Prof. Shannon Kindornay: It's part of their overall co-operation. Aid is a tool, but it's about international co-operation, not about development assistance per se.

Mr. Peter Fragiskatos: That's what I figured. I just wanted clarification on that.

Professor Bhushan, perhaps you could turn to the first question.

Prof. Aniket Bhushan: As I think I put it in the longer submission, by no means is this to suggest that it's only the Netherlands. The U.K., Norway, Sweden, and several other countries have recognized the contextual specificity of fragility—let's not say the state or country or context—and the very innate, fluid nature of how the situations can change. What it means is essentially the calculus about how long and how deeply one is prepared to be engaged: as I've laid out, in terms of time frames it means 10 to 15 years. It's very easy, if you look at some of the stats that our colleagues have shared, to think that you can do something in shorter time frames. If you look at the average time frame of our engagement in terms of projects, currently, in terms of Canadian data, which is comparable to the global OECD, it's about three years. So it's a wildly different way of looking at it.

Now, to your question about states and countries and borders, the U.K., for instance, has an explicit financial target of spending 50% of its assistance budget, but they've very creatively tacked on to it that it's not just about fragile states, and it doesn't prescribe to any of these global lists, be the failed states index, be it INCAF, or be it the World Bank. It is their own understanding of fragility. It also has in it, very explicitly, the word “neighbourhood”. It is very much about fragile states and neighbourhoods, because it explicitly takes into account the recognition that the borders are very porous in these situations.

It comes back to the point I was making earlier, that the reason I think we need a dedicated fragile states strategy or fragile contexts strategy is that it would force us to think about what it means and what opportunity costs there may realistically be in engaging in these contexts versus doing development in other contexts—what the payoffs are, what the risks are, and whether we have credible partners to work with.

Mr. Peter Fragiskatos: But we could make the argument that most of the international problems that exist these days, and those that are projected to exist in the future, are regional in nature and not state-specific. I worry about a state-centric approach. While it is true that states are the basis of the international system, a regional approach might be the best way forward in terms of Canada yielding the best results as far as our development assistance policy goes.

Prof. Aniket Bhushan: I wouldn't disagree with you. That's more in tune with where, in some ways, in a very broad-based change, one could go. I'm sort of situating this more in the context of how past-dependent things are in terms of where we are. We've always had countries of focus and country-based approaches. That's number one.

Number two is what others do. Frankly, most countries—the French, Australia, Norway—have some sort of a focus list of countries and partners. At the end of the day, part of development assistance is about dealing with another government, dealing with another state, which is confined to a state—

Mr. Peter Fragiskatos: I chose to focus on the Dutch example because it was so interesting to me, and you made the case in your presentation as well.

Thank you very much.

The Chair: Thank you.

Colleagues, that wraps it up for today.

On behalf of the committee, we very much appreciate your coming before us today. I know it's always too short. There are lots of questions to ask and answers to get, but I think we made some progress. Thank you very much.

Colleagues, we'll wrap it up. We managed to get in our full two hours today. Considering the votes, that was commendable.

This meeting is adjourned.