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**Monday, November 15, 2004**

**Chair**

**Mr. Bernard Patry**

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## Standing Committee on Foreign Affairs and International Trade

Monday, November 15, 2004

• (1535)

[Translation]

**The Chair (Mr. Bernard Patry (Pierrefonds—Dollard, Lib.)):** Pursuant to Standing Order 81(4), the committee is resuming its study of the main estimates under the heading “Canadian International Development Agency”.

[English]

With the consent of the committee, I will now call all the votes for discussion.

[Translation]

With us today is Ms. Aileen Carroll, the Minister of International Cooperation,

[English]

we have witnesses today from CIDA: Mr. Ric Cameron, the senior vice-president; Mr. Denis Kingsley, vice-president, human resources and corporate services branch; and Mr. David G. Moloney, vice-president, Policy Branch.

I now invite the minister to make an opening statement. Ms. Carroll.

**Hon. Aileen Carroll (Minister of International Cooperation):** Thank you, Mr. Chair.

Just before saying how delighted I am to be back in my old stomping ground, so to speak, I would just say that unfortunately I have forgotten my long-distance glasses; I know it's Mr. Menzies up there, Mr. Sorenson, and Belinda. I may squint just to make sure I know to whom I'm responding.

As I said, it's a great pleasure to be here with you, having been on your side of the table and having excellent memories of that. I also recall when my predecessor came to committee, sharing the passion of all of us around the table for the agency that she and now I represent, the Canadian International Development Agency. I think we join Canadians in our passion, because like us they are very excited about Canada's role in international development, and like us I think they are convinced that Canada is indeed making a difference in the world.

Today we are here to discuss the main estimates for the fiscal year. You may very well have had the opportunity to consult the report on plans and priorities. This document is the one in which we at CIDA translate our policies into action.

These documents were prepared several months apart, and the differences in some of the numbers reflect the continuing progress

we are making in implementing changes that have been in the works for some time. We're working very hard at CIDA to make it the very best it can be, to invest our aid resources where they will have the greatest possible impact.

CIDA's 2004-2005 main estimates present the first opportunity since the decision was announced in Budget 2003 to display the effect of the 8% increase in the international assistance envelope on our budget, which is a net increase of \$569 million over the level shown in our 2003-2004 main estimates.

I look forward to this hearing today, the first for me in a series, I hope, of frank and open discussions that I will have with you. We are here to talk about where CIDA is going and how we can do our job better.

What are some of the issues percolating at CIDA and in the field of international cooperation generally? We have, as many of you know, the government-wide international policy review; increases to CIDA's international assistance envelope, to which I made reference; our continued efforts to strengthen the effectiveness of our aid; and of course the millennium development goals, or MDGs as we fondly call them.

I'd just like to say a few words about each of those. The millennium development goals are the global yardsticks against which the world can measure progress in key areas. These goals, which include eradicating extreme poverty and hunger, achieving basic education for all, reducing child mortality, and improving maternal health, represent a minimum for action in international development. They are a globally agreed partnership between developing countries and developed countries based on mutual obligations.

[Translation]

However, if the trend continues, we will probably not be able to meet these goals. That should encourage us to step up our efforts. We should also ask whether we are really doing everything in our power to achieve these goals.

[English]

This government's 8% increase per year, leading to a doubling of our international assistance by the year 2010, is indeed moving us in the right direction. This is the first year that CIDA's budget increase shows up in the main estimates and not in our supplementary estimates. However, meeting the MDGs is not just about increased funding. It is about targeted, focused efforts to improve the lives of the poor.

[Translation]

For a number of years now, CIDA has been working very hard to strengthen the effectiveness of our aid. We really want to contribute to a better world for all. In order to do this, we are targeting our support to those countries and sectors where we know we have the skills and resources required to promote sustainable development. We are focusing our efforts more specifically on Africa and those countries with the most pressing needs. We are studying various ways of focusing our sectoral programs more on four priorities: health, particularly efforts to combat HIV-AIDS, basic education, governance and private sector development.

[English]

In all that we do, we are responding to the needs and priorities identified by our developing country partners. We are working closely with like-minded donor countries to harmonize our efforts, and we are coordinating our own efforts here at home with other government departments.

Building a whole government approach here in Canada is something that CIDA and the departments of foreign affairs, defence, and international trade have been doing whenever possible. I look forward to an opportunity to discuss, as you so question, Afghanistan and Haiti in particular, as examples of that kind of integration among four departments.

The international policy review will indeed outline the new directions for Canada's role in the world. As you know, I will come back to the committee, along with my other colleagues and ministers of those departments, in the context of this review. At that time, we will discuss ways to work together to maximize the impact of Canadian development cooperation by continuing to concentrate our resources in countries and sectors where Canada can add value and make a lasting difference in reducing global poverty. We will also be looking at how we can improve the coherence between aid policy and policies in non-aid areas, such as trade.

CIDA needs to continue to evolve to be innovative, and I think we are doing just that. Today is my first occasion, as I said, to hear your views. I look forward to that, and to the opportunity to answer your questions to the best of my ability.

• (1540)

[Translation]

Thank you, Mr. Chairman.

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

We will now move to the question and answer period.

[English]

We will start with Mr. Menzies, for ten minutes, please.

**Mr. Ted Menzies (Macleod, CPC):** Thank you.

**Hon. Aileen Carroll:** Mr. Chair, is it ten minutes for the question and the answer?

**The Chair:** Yes. That means if he asks nine minutes of questions, you have one minute left.

**Hon. Aileen Carroll:** Or the reverse.

**The Chair:** Yes, the opposite.

Go ahead, Mr. Menzies.

**Mr. Ted Menzies:** I will make my questions short, because you don't want to listen to the answers that I have; we want to listen to the answers that you have. Thank you for coming here today.

Having looked at the budget numbers, I see there are some areas of concern where we would basically scrap the payments. We basically have zero payments forecast in grants to international, regional, developing country institutions, governments, organizations, and agencies, as well as provincial and municipal governments in support of development cooperation, education programs, and international NGOs. We also have zero payments forecast for Inter-American Development Bank incentives to Canadian international developing country private sector firms, institutions, organizations, and support of industrial cooperation programs. We also have zero payments forecast for geographic programs that fund humanitarian assistance or disaster preparedness to countries and their institutions and organizations. The zero payments forecast for poverty reduction and growth facility dropped from over \$8 million last year.

That is my number one question, if you can address that.

**Hon. Aileen Carroll:** Mr. Menzies, forgive me. Could you provide to which page in which document are you referring?

**Mr. Ted Menzies:** The first part would be page 86, in part III of the estimates.

**Hon. Aileen Carroll:** So your first question is...?

**Mr. Ted Menzies:** Why are we forecasting no payments in that? I guess it's basically reductions from the payments previous in that one, and also in part III, page 87, in the industrial cooperation programs—and also on page 86, geographic programs that fund humanitarian assistance. Poverty reduction and growth facility dropped from \$8 million last year. That would be my first question.

My second question would be on the issue of the policy branch doubling its budget from \$7.5 million last year to about \$11.5 million this year. Can you give us a reason for doubling in the policy branch?

**Hon. Aileen Carroll:** David, are you okay to answer the policy branch?

I'm just going to ask David to help me on figures and line items.

**The Chair:** Mr. Moloney, do you want to answer the second question, please?

• (1545)

**David Moloney (Vice-President, Policy Branch, Canadian International Development Agency):** Yes.

The question is why there is a decline shown here from \$3 million to zero under the policy branch in the middle of page 86.

It's important to recognize, I think, that the policy branch transfer payments are in support, generally speaking, of very specific research or analytical projects of limited duration. The policy branch is not engaged in programming in countries.

As you mentioned in the second question, policy branch programming overall is only \$11 million, a very modest amount. So these are particular subcategories that happen to be on for a year or two and then go to zero.

In terms of the policy branch budget overall, in respect of the second question, this is a main estimates to main estimates comparison. Between the previous main estimates and the final number, there was a transfer into the policy branch budget of the responsibility to manage a certain amount of agriculture research programming overall in small, innovative projects for agriculture programming.

This is not a true year-over-year comparison, but it's a main estimates over main estimates. So if one took into account the final supplementary estimates from last year, you would not find that large an increase. In fact, you would not find an increase at all.

**The Chair:** Thank you.

Do you want to add something, Madame la ministre?

**Hon. Aileen Carroll:** No, not unless Mr. Menzies feels the answer wasn't fully given.

**The Chair:** Do you have a supplementary?

**Mr. Ted Menzies:** I don't know that I quite got an answer why the policy department has doubled its budget. I didn't quite get that answer.

**Mr. David Moloney:** Unusually, last year, later in the year, after the main estimates were initially brought before the House, there was a decision by the then Minister for International Cooperation to task the policy branch with taking on responsibility for coordinating some programming in the agriculture area. So that was added to the policy branch base in supplementary estimates later in the year. That represented a significant percentage increase, in the amount of some \$3 million. That was the main increase there.

**Mr. Ted Menzies:** You're saying, and correct me if I'm wrong, that on page 86 we're talking about a cut in policy. But is this not program funding?

**Mr. David Moloney:** Yes, it is. What you're finding on page 86 is a different question. My answer there was pointing to most of these policy branch transfer payments being in support of particular projects with specific partners, which tend to last for one or two years. What we're seeing in 2003-2004 is a project that then came to an end. So the policy branch budget would have been devoted to other uses in this year, not that particular sub-category.

**Mr. Ted Menzies:** So there's no other project that would continue on from here—it's just zeroed out. Do we change focus?

**Mr. David Moloney:** You will find in the policy branch overall program budget there would be a change of focus, yes. As I was mentioning, part of that is in support of agriculture programming. There was a significant increase in that area under the authority of the policy branch.

**Hon. Aileen Carroll:** I would just add that my predecessor brought through considerable initiatives in the area of agriculture, and it necessitated shifts that I think Mr. Moloney has explained. It was also quite policy-intensive, as I understand.

[Translation]

**The Chair:** Ms. Bourgeois, please.

• (1550)

**Ms. Diane Bourgeois (Terrebonne—Blainville, BQ):** Thank you, Mr. Chairman.

Good afternoon, Minister.

At the UN Millennium Summit in 2000, the heads of State and government, including Canada, agreed to achieve eight millennium objectives on development by the year 2015 at the latest. The first objective, of course, was to reduce extreme poverty and hunger.

When we look closely at CIDA's budget for 2003-2004 and compare it to the budget for 2004-2005, we see that grants to geographic programs, including the implementation of anti-hunger programs, were reduced by several million dollars, while development assistance, supporting the activities, programs and projects of international development institutions and organizations and development assistance by international financial institutions had its budget increased by several million dollars, perhaps even more than \$100 million, if I remember correctly.

At the very time the Auditor General of Canada was criticizing in a recent report the lack of vision and evaluation guide for measuring overall results to be achieved in program countries, could you explain the logic behind this situation, Minister?

**The Chair:** Minister Carroll.

[English]

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

I can begin, I think, with the latter part, the recent report by the commissioner on environmental sustainability and her comments with regard to CIDA. In chapter two of that report she referred to a study she had done, I believe on eight water-related projects that had been undertaken a number of years ago. In looking at the sustainability of those projects, she felt there were certainly some things lacking. I asked to meet with her and to do a follow-up with her. While I took good note of her criticisms, as did the department, I was also very pleased with the overall kudos she assigned to CIDA. She did feel the weakness with regard to those particular projects had to do with measuring and follow-up, and she suggested that those areas in CIDA be improved. We have taken her admonitions very seriously and have put in place measurement systems to allow us to do the job better.

At the same time, in conversation with her, while she said we do not measure well enough at CIDA, she on went on to be, if I may be so bold, Mr. Chair, absolutely laudatory with regard to the CIDA personnel with whom she had worked on the ground in those countries she had gone to do the study on those water projects. So it is not in any way not to accept the criticism, we do. We are looking at the matter very seriously and are moving forward even now with the systems we're putting in place to address that. But it was also an opportunity to hear how very well we were doing in other areas.

With regard to the millennium development goals, it's difficult to take eight goals that deal with the almost holistic approach to reducing poverty in the countries CIDA and other donor countries give aid to, since they are very varied in education, health, food security, and so many aspects. I don't think we can fairly extrapolate from the estimates a particular line item or a number of them and say those are the sum total of our efforts toward achievement of the millennium development goals. There are so many programs CIDA has undertaken with regard to the fast-track education initiative, all the agency is doing with maternal health, child mortality, the battle on HIV/AIDS, all of which are directly connected to the millennium development goals and what the country has undertaken to achieve. So while I would not argue with the particular item the honourable member has alluded to, I do feel that we have come considerably down the road in our goal of achieving those.

That said, I will be very frank. The international community has undertaken to reduce world poverty by half by the year 2015. I do not see, at this point, a very optimistic analysis of our ability to do so. In my opening remarks I made reference to the fact that we will need to redouble efforts. I am very proud of the government's 8% increase in our aid budget, which will allow us at CIDA to have doubled our IAE by the year 2010. So we are doing a lot of the right things, Mr. Chair, but it still does not present an optimistic view.

• (1555)

[Translation]

**The Chair:** Thank you, Minister.

Ms. Bourgeois.

**Ms. Diane Bourgeois:** I understand your position, Minister. However, I have seen various reports, in particular the one by the Canadian Council for International Cooperation, which call on CIDA to meet the millennium development objectives, the first of which—and everyone agrees on this—is to reduce hunger.

With reference to the millennium development objectives, you say in your opening remarks: “However, if the trend continues, we will probably not be able to meet these goals.” Various studies have pointed out that CIDA adopts a very broad approach, and cannot focus its efforts on one, two or three objectives.

When I look at all of this, it seems to me that there is a real problem somewhere. The problem either has to do with project management or with the fact that money is simply going to the wrong place.

**The Chair:** Minister.

[English]

**Hon. Aileen Carroll:** Quite frankly, I would not agree with the last comment. It isn't a management problem and it isn't that the

money is not being spent in the right places. To be fair, we are part of a collective effort. All 170-some members of the United Nations in the year 2000 committed themselves to achieving the millennium development goals. It's a core part of our mandate at CIDA to join them in that effort. At Monterrey we met again, and we undertook, along with our developing nation partners, to recommit ourselves to that and develop the strategies that would get us there. Perhaps you are making reference, as you did in your opening remarks, to the audit done by the Commissioner of Sustainable Development, but I think it would be incorrect to assume a sweeping negative judgment on her part of the management efforts in all of what CIDA does generally. She looked at a number of water projects, and I have dealt with that.

The work that's being done at CIDA and the administration of our programming and our budget is of a very high calibre. In many ways CIDA's efforts are seen internationally as those of leadership quality. We are joining in an effort, as I said, world-wide to undertake a huge task. Some of the more recent analysis being done by World Bank and UN people speaks of a need to go well beyond the billions that were initially contemplated as sufficient to achieve it, to get to levels of billions of dollars now from all of the countries involved far in excess of what was initially planned.

As I said, we are very proud of the increase we have been given by the government. We are working very hard through our aid effectiveness policies, and I think you're very correct in aiming at aid effectiveness, so we can achieve more effectiveness in what we're trying to do. We have begun a very serious and integral process at CIDA to focus more in the areas where we bring the most expertise, to aim for a smaller number of countries, to focus our efforts within four sectors rather than right across the board, all of this in conjunction with other donor countries, so that this cumulative effect will move us closer to the goals we set. But I would assure you, having been there one year, that our slowness in reaching the goals has very little to do with the management at CIDA.

• (1600)

[Translation]

**The Chair:** Thank you, Minister.

Ms. Phinney.

[English]

**Ms. Beth Phinney (Hamilton Mountain, Lib.):** One of the questions I had was just answered by the minister. I was going to ask her about the program that they started looking at about 2002, about how to change aid effectiveness. You've just spoken a little about that, but if you want to say some more, go ahead.

Further, what have you done in Haiti, what are we doing? As well as Haiti, I wondered what we're doing in Grenada? That's another island that was hit quite badly, and I think 82% of the homes don't have roofs.

**The Chair:** Madame Carroll.

**Hon. Aileen Carroll:** Yes, we've been very much involved in Grenada and have contributed approximately, if I'm correct, \$6 million in emergency response. Right now a senior team from CIDA is in Grenada, or they're on their way back. I have asked them to go back, because we were involved in the original assessment, and to come back and give me a sense of what needs to be done, working on the most urgent basis. So we've certainly been responding to Grenada, but I think we'll be doing more.

**Ms. Beth Phinney:** Perhaps I could interrupt the minister. Their feeling is that we have sent down some people to Grenada, and they're studying the issue, but the worst problems that occur are the first four, five, six, or seven in the first week or two. I just wonder if there's any way that CIDA could be faster in helping out with the problems.

**Hon. Aileen Carroll:** Maybe I misled you. We moved very quickly. We're part of an assessment team on the ground that moves very quickly. If there's one thing CIDA has an excellent reputation for, it's for how quickly it disburses its aid. We may not be the largest donor in every given area, but certainly on a humanitarian front and in our development commitments, the reputation is sterling for disbursing quickly, not pledging and then not moving, which is sometimes said of other donors.

So we have responded. We moved in quickly with humanitarian relief. What I'm speaking of now is the need for a second wave. A number of countries have gone in. Britain has been active, the EU has been active, and the Americans and us. That is why I think at this point it's imperative that they look now for what is the next stage of what is required in the way of Canada's response. That is what we are involved in now.

With regard to Haiti, Canada has, as you know, a longstanding relationship with Haiti. We have committed, as part of the reconstruction effort in Haiti rather than humanitarian relief to the hurricane situation, a total contribution of \$180 million over two years.

To be blunt, my sense was that after the departure of President Aristide and the transitional government was set in place, headed by Monsieur Latortue, it was incumbent on countries such as the United States and Canada, the two top donors to Haiti, to take a very organized look at how we were going to respond this time. It would be naïve to say that many of us do not feel we have failed Haiti in the past. Again, the senior people at CIDA have been the quarterbacks in building a structure, an interim cooperation framework, as it's called, to coordinate the response this time in the reconstruction of Haiti, and to fit within that ICF all of the donors in a very sensible way, taking in mind what they do very well, and having us go in there in an organized way.

The problems with security, as you read and as we're all cognizant of, continue to be a major difficulty. I think the Prime Minister just spoke yesterday in Haiti about a need on the part of the government to get a better grip on the security situation in Haiti, because unless we have security, it is impossible to begin development.

That said, I do have the highest regard for that government. Many of the people involved in the government have come from parts of the United States out of a love and commitment for that country, and

have taken the time to build this transitional government. They are not people with long-term political aspirations. Indeed, they had to undertake that they would not run. It's from that kind of commitment, along with Canadian and other donor commitments, that I believe we'll see some solutions for what is the poorest country in this hemisphere.

I can, Mr. Chair, break down the \$180 million on the different programs in Haiti, and would be delighted to do so should time permit.

● (1605)

[Translation]

**The Chair:** Thank you, Minister.

[English]

Mr. Bevilacqua, if you want to ask a question, we have another five minutes.

**Mr. Maurizio Bevilacqua (Vaughan, Lib.):** Thank you.

I just want to follow up on what the minister pointed out on the issues related to security and expenditures in security, and how you as minister share the concern that the focus on the fight against terrorism and increased security spending are undermining some of the efforts to implement commitments made in conjunction with the adoption of the millennium development goals. How has terrorism affected your department?

**The Chair:** Ms. Carroll.

**Hon. Aileen Carroll:** That's a very good question.

I think it's been oversaid, but as a point of departure I'll have to say it again: we all live in a very different world since 9/11. There's an integral link, in my view and in the view of the people with whom I work, between development and security. For one thing, if we look at the situation in Iraq, and Afghanistan, and Haiti, where we have a hugely committed percentage of the budget at CIDA, one can quickly see that the ability to begin development in a long-term manner, which is the only way development works, to get off relief and onto development requires a stability that none of those three countries have yet achieved. So there is the link that you mention.

As I have said before, the hopelessness and despair that accompanies the kind of poverty I have not yet seen that much of—I've only travelled two or three times in my capacity as minister, but I have travelled prior to that—and that one experiences in a country like Sudan, or in Haiti, is of a type that one can only accept that security, and the ability of that kind of a situation to impact on security, is a very negative set of dynamics. I think there has to be some belief on the part of people in the countries we're trying to impact that their lives will get better, that they won't live in a world where they can't afford a bed net to protect their children from malaria, or can't afford a condom for women to protect themselves from HIV/AIDS. As long as that kind of world and the hopelessness that accompanies it continue, then the security situation is also going to be very negatively impacted.

**The Chair:** Thank you.

Mrs. Desjarlais.

**Mrs. Bev Desjarlais (Churchill, NDP):** That certainly leads into the line of questioning I'm going to take, so I'm glad you mentioned it. I can't help but recognize the dollars that we spend on fighting terrorism, which, as suggested, might be the result of people feeling that hopelessness and not being able to see improvements in their lives. Three million people, I think, are dying from malaria each year. My guess would be that we're not even near that with the amount of people who have died as a result of terrorism.

Wouldn't our priorities in spending suggest that we should be spending a whole lot more dollars fighting malaria and numerous other diseases rather than terrorism?

• (1610)

**Hon. Aileen Carroll:** You've slipped out of the realm of my department, but I may have led you there. I don't have a budget for fighting terrorism, but I do have a budget for buying bed nets and combatting diseases.

When you say that more people have died from terrorism than poverty—

**Mrs. Bev Desjarlais:** No, less.

**Hon. Aileen Carroll:** Yes, it's the reverse. If you look at the millions and millions of deaths from HIV/AIDS alone, you are looking at a statistic that is overwhelming and certainly would be the larger one in any comparison.

So I can only agree with your comments. I'm not sure I can answer them.

**The Chair:** Mrs. Desjarlais.

**Mrs. Bev Desjarlais:** Following along those lines—sorry, I've reached the point of no return, I have to wear my glasses—you and I talked previously about CIDA's participation in education funding and in assisting in education. I commented on whether or not CIDA was involved in funding for the building of schools or anything like that. Could you comment on whether or not CIDA is involved in any kind of funding for education, and exactly what type of funding it is?

**The Chair:** Ms. Carroll.

**Hon. Aileen Carroll:** CIDA has invested hugely in the World Bank's fast track education initiative. I don't have the figures right in

front of me, but I can ask a colleague to give them to you, if you wish. This is a hugely successful program.

As I mentioned earlier, CIDA is moving toward a four-sector focus, and basic education is one of those. The education issue that you and I discussed earlier is the absolute route for women, for the enabling of women, in the societies we are trying to impact. It is vital in the fight against HIV/AIDS. It's imperative as we move into the link with private sector development. Education is the door to almost everything we want to attain in the millennium development.

CIDA in the past—and I do mean the past—was much more involved in bricks and mortar and in large capital projects. I'm not sure that building a school comes under large capital projects; that's probably more the world of dams. Nevertheless, it's less involved in infrastructure now than in the past. That isn't to say we don't build schools. I understand from a colleague that some of the schools in Grenada that were flattened by the hurricane had in fact been built by CIDA, but I don't know how many years ago that was.

If I may, I'll ask one of my colleagues to add to that.

**The Chair:** Mr. Cameron.

**Mr. Ric Cameron (Senior Vice-President, Canadian International Development Agency):** Just briefly, the minister was talking about the fast track initiative, which was put together about two-and-a-half years ago. It involves 18 countries, and those 18 countries have seen the donor investment in education increase by over 30% in three years. It's in the context of working on national education strategies, so they identify the areas for investment and the donors cooperate to cover different parts of it. It does include issues of physical infrastructure, textbooks, teacher education, and regional governance. You actually can have local authorities and parents involved in the governance of schools.

So I would not say that CIDA itself has a lot of targeted money for infrastructure, but in that continuum, if that's what a country needs, then that's part of the package that's put together to deal with it.

**Hon. Aileen Carroll:** That's true. In Tanzania, near Arusha, they elected to build a library—in our concept of a library, a very simple structure—within their own poverty reduction strategy. That is so much more effective than our saying to them what they should do. Instead, they tell us what works, and exactly as Mr. Cameron has defined, those funds would be applied.



**Mrs. Bev Desjarlais:** Through the private sector development that you mentioned—and it's no secret that I wouldn't support schools that charged students to attend—I'm wondering if there's a focus on for-profit schools or a focus on no-charge schools, which have proven to have more numerous students attending and receiving an education.

• (1615)

**The Chair:** Minister Carroll.

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

Again, we had some discussions before, which I appreciated your taking the time for, and I think the reference then was to school fees, that where school fees have been eliminated, enrolment has shot up by hundreds of thousands overnight. In Kenya, I believe, we participated with other donors in supplanting the funds that the government gained from school fees with aid dollars. In those opportunities...because as dreadful as it appears to us to think that children who haven't shoes to wear are asked to buy uniforms, you nevertheless do see the side of the government that must run the schools and pay the teachers. But where we have been able to do just that, it's had incredible outcomes.

So I think that is very much a millennium development goal, and certainly it achieves what you've outlined.

**The Chair:** Thank you.

According to the rules, we'll go to Ms. Torsney, five minutes.

**Hon. Paddy Torsney (Burlington, Lib.):** Thank you.

I have two questions. One, of course, was raised in question period briefly today.

Canada—not any political party, but Canada—got a lot of credit and put itself on the map as a middle power in working with other countries, not big countries, but medium-sized countries, to make some really big changes in how wars and conflicts are mounted in the world, and that was getting rid of the use of land mines. Many members of Parliament from all political parties participated in the conference in Ottawa in 1997. This year is the fifth anniversary of the agreement's coming into force and a really big opportunity to continue to put pressure on the 143 governments that have committed themselves to the Land Mines Treaty. We've seen global use drop. We've seen 34 million land mines that were in stockpiles around the world destroyed. We've seen in the most recent big conflicts in Iraq and Afghanistan that the Americans, who haven't signed the treaty in fact, did not lay any anti-personnel land mines. I know the multilateral branch, through the mine action unit, has been working on humanitarian assistance, helping countries clear stockpiles to make sure land is returned to arable use.

I wonder, for the benefit of members, if we could see exactly within which group the \$100 million that was committed over five years across the government, some of which went to CIDA, and the \$72 million that was then committed after the first five years are being used. It is part of that specific spending, but of course, it's right across the projects, making sure that everywhere, whether it's getting access to the new school down the road or a project on farmers clearing the land, it's right across the government, because it is a great Canadian success story.

The second issue I have for the minister is on the international policy review that is going to take place. There have been some articles talking about how Canada is involved in so many different parts of the world. Part of that is a goal to try to focus Canada's giving on certain countries, not just the ones that hit CNN this week, but countries where we can play a big role, which is also a challenge. We are blessed with people from so many regions of the world who are interested in helping their own communities back home. A little CIDA money would help them mount a very big project that'll make a very big difference, to start a non-profit school in a small town, for example. How do we reconcile these two initiatives, where you have members of Parliament saying, support this project for these people in my community who want to go there or this church group that's involved in Burkina Faso or a place from which we may not have that many citizens, but where there is already a linkage, Guatemala or wherever we've had some historical ties? How do you and your department reconcile those initiatives?

**The Chair:** Madam Carroll.

**Hon. Aileen Carroll:** I'll go to the land mines. I'll ask the gentlemen with me to do the math for you and to see where it shows. CIDA has been and continues to be very active on the land mines. I won't repeat what Ms. Torsney has said, as she said it very well. The question in the House today gave me the opportunity as well to say how very proud I am of the reputation of this country and the fact that the convention bears the name of our capital city.

The numbers are, as you've mentioned, impossible to get into your head. If I can bring it down to one particular story, it might help. I was, as many of you may know, recently in Sudan visiting Darfur. I went also to the Nuba mountain area of Sudan, where you will see the evidence of a three-year ceasefire. This is, of course, an area much affected by the north-south civil war that's really been going on since the British left in the mid-1950s. Here you finally have peace for three years, not a single violation. Members of the Symbionese Liberation Movement have come back to this area, living side by side with their former adversaries, and they want to farm again. So the request to me, as minister of CIDA, was, would you consider a project, as you've done in Sudan in the past, for further de-mining, so we can go into those fields where they cannot walk because they are so infested with land mines? That's an example of one place in one huge continent where we continue to do that.

For your answer on the money, gentlemen.

• (1620)

**The Chair:** Mr. Cameron.

**Mr. Ric Cameron:** The \$72 million renewal of the land mines fund for five years is part of the multilateral program branch. They also provide money that goes into country programs if there are specific components. Their objective is to coordinate and ensure that it's used as well as possible. We'd be happy to send back to the committee details on how it has been expended since 2003 and the anticipation.

**The Chair:** Please provide it to the clerk.

Now we will go to Ms. Stronach for five minutes.

**Ms. Belinda Stronach (Newmarket—Aurora, CPC):** Thank you, Mr. Chairman.

I have two questions. My first is a broader question.

How do you see the separation of the Department of International Trade from the Department of Foreign Affairs affecting the coherence and, ultimately, the effectiveness of government policy with regard to development?

My second question relates to page 77 of the CIDA part III estimates. What projects or programs received the \$170,000 expenditure noted for the Department of Canadian Heritage?

**The Chair:** Mrs. Carroll.

**Hon. Aileen Carroll:** Thank you, Ms. Stronach.

The decision to separate trade from foreign affairs is one that was taken by the government early in its mandate, the other mandate, prior to the election. I don't think that directly affects my agency, that is to say, the fact that they are now housed separately. What I think does very much affect the agency is the process I made reference to earlier in my remarks, the international policy review. The Prime Minister has asked the three Ds plus T, development, diplomacy, defence, and trade, to work together and bring far more coherence and integration into Canada's face to the world, if I can put it in his words, and we have engaged in the process very seriously indeed. The objective of that is to show where trade and development perhaps connect, and we do, perhaps more than the separation of the two departments might suggest.

With regard to the international policy review, the government has identified nine areas. I'm not sure you would want to hear all of them, but I could certainly mention a few. One is targeting and enhancing the impact of international development assistance consistently with Canadian values. Also, this review will help identify Canada's defence priorities and fundamentally review the future capability of the Canadian Forces. It will, of course, take into consideration the need for a much more integrated approach among all four of us to the Canada-U.S. relationship. I wouldn't want you to think I'm about to start giving aid to Boston, but I certainly work very closely with my American colleagues, Andrew Natsios and others, who head up AID, for instance, in Haiti, and Afghanistan, two countries where we work closely with Americans, among other donors, in all of what we are trying to achieve there. In addition, we are attempting to develop a strategy for renewing the multilateral system to enhance its effectiveness in promoting global governance, to help define a new national security policy that outlines the government's approach to enhancing security, and to expand markets and opportunities for trade and investment. That gives you some of the nine.

I don't want to use up all your time, but I would say that one of the ways CIDA connects very much with Trade is what we do in many countries in the area of governance. We work within the development envelope, not just to do the things we talked about earlier, education, the battle against AIDS, and securing food, but also to help those countries develop a regulatory system, a legal system, the rule of law, and prepare many of them to move into the WTO, so that they can become active trading partners. Canada is blessed with expertise in all of those areas and CIDA with the vehicles and experience to connect that kind of expertise overseas. Not to mislead, this is not Canada giving money directly to the governments of many countries whose governance is very poor, but rather, it is working with agencies at home here, the Canadian Bar Association and many other professionals and NGOs who work very effectively in those countries.

• (1625)

**The Chair:** Thank you.

**Hon. Aileen Carroll:** I hope that answers that. And on page 77...?

**Ms. Belinda Stronach:** Yes, on page 77, towards the bottom, the expense of \$175,000 to the Department of Canadian Heritage.

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

Mr. Moloney is going to help me with culture.

**Ms. Belinda Stronach:** Thank you.

**Mr. David Moloney:** Thank you.

We will have to provide the member with the specific uses of that \$175,000. This table is here for the information of members, so that particular expenditure or appropriations authority will be sought through Heritage Canada's estimates. This is for the information of members to see how the international assistance envelope is allocated overall—but we will come back to you for your information.

**The Chair:** Thank you very much, Mr. Moloney.

Ms. Carroll, I would like it if you could provide the committee with your nine elements, because I think it's very important for the future of our committee. I would like it to be provided to the clerk, and he will distribute it to every member.

Thank you.

Now we'll go to Madame Lalonde, please.

**Hon. Aileen Carroll:** I would just add to what Mr. Moloney said to Ms. Stronach that while CIDA administers about 86% of the international assistance envelope, the other 14% is administered—for lack of a better word—by almost 52 other agencies and departments. So what we do is very much the official development assistance, ODA, but that fits within the larger envelope of IAE. For instance, the Department of Finance is responsible for the international financial institutions. I have to break that down; that's the Bretton Woods institutions, whereas the Asian, African, and inter-American development banks come to CIDA.

So it's a little bit complicated, but it appears therein that this line item you've brought our attention to is administered by Canadian Heritage, and we will come back with further detail on that for you.

[Translation]

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

Ms. Lalonde, please.

**Ms. Francine Lalonde (La Pointe-de-l'Île, BQ):** Thank you.

Welcome, Minister.

Every time we talk to you about the fact that Canada needs to achieve the millennium objective of earmarking 0.7% of its GDP for international assistance, you tell us that CIDA's aid is very effective, and that consequently, this justifies the fact that we have not reached the 0.7% goal. I find that most unacceptable, because there are countries much smaller than Canada that do meet the 0.7% target, and whose contribution is almost as large as Canada's. I find the answer unacceptable.

For example, I would like to give you the most recent statistics I was able to obtain. Canada's assistance amounted to \$2 billion US. Denmark, with a population of 5 million, not 32 million, provided \$1.5 billion. Holland provided \$3 billion, and there again the population is not 32 million, but rather some 10 million. Norway, with its 4 million people, contributed \$1.5 billion. Sweden, with a population of 8 million, gave \$1.8 billion. And we cannot claim that these countries do not take as much care as CIDA does to ensure that aid is distributed efficiently.

Minister, do you not very much require the help of international cooperation organizations to explain why Canada needs to increase its international assistance to the level requested by the United Nations?

•(1630)

**The Chair:** Minister.

[English]

**Hon. Aileen Carroll:** Your point is well taken, Madame Lalonde. I didn't mean to imply that we're not going to achieve the millennium development goals because of the size of the budget I have, nor do I think that Canada will single-handedly achieve the millennium development goals if we did get to 0.7%—but I take your point.

[Translation]

**Ms. Francine Lalonde:** You are dragging your feet.

[English]

**Hon. Aileen Carroll:** Certainly there are countries, as you've mentioned, who have achieved it. I think there are five: Denmark, Luxembourg, the Netherlands, Norway, and Sweden. And other countries have suggested they're going to as well; the U.K. has suggested they'll get there.

[Translation]

**Ms. Francine Lalonde:** They agreed on this, they made some commitments. Why is Canada not making any commitments?

**The Chair:** Minister.

[English]

**Hon. Aileen Carroll:** I would have to say, and I'm very comfortable with this, that I'm part of a government that had to do some drastic reductions to get rid of a horrendous deficit. We did that. We see now a flourishing economy and a budgetary surplus, all

of which stand us as number one. And concurrent with that, we've seen a commitment of 8%, which will in fact see the budget doubled by 2010.

But from your perspective, and others'—

[Translation]

**Ms. Francine Lalonde:** But we will never get to the 0.7% at that rate. That is what everyone says.

[English]

**Hon. Aileen Carroll:** I don't think I can add more to that; I can play with numbers and say where we are. I think we've grown and will continue to grow. The government and this Prime Minister are hugely committed to the development goals we set for ourselves; but to date, the government is going to double its aid budget by the year 2010.

[Translation]

**The Chair:** You have time for a brief question, with no preamble.

**Ms. Francine Lalonde:** Earlier, you said that you did not administer security programs. However, I saw the \$181 million CIDA is spending on Haiti. This figure includes the cost of the army during the early stages of the crisis. In fact, there was a reference to \$35 million. In any case, all the people I consulted understood, as I do, that CIDA is covering some security and military costs.

**The Chair:** Ms. Lalonde, military security costs are not covered by CIDA, but rather by the Department of National Defence. CIDA does pay the cost of the police who work there, but that is not a security force. They are community police officers working in Port-au-Prince at the moment.

Mr. MacAulay.

[English]

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

The finance committee, I suspect, is meeting. I hope they put a proposal forward to increase your budget, because obviously you could use it. I imagine every department on the Hill could use it.

My question or my concern is with physical infrastructure. It's my understanding that there are a lot of countries who, percentage-wise, put a lot more money into physical infrastructure than we do. Over the years, you've travelled and I've travelled a bit and have seen a lot of waterworks and a lot of physical infrastructure put in place by Canadian businesses. I think when you do that you involve Canadian engineers and business people, and I think it does an awful lot for this country as well as for the country you're trying to aid.

I just wonder how much you are involved with private sector companies in this country when any aid projects are built or put in place in foreign countries. I think the World Bank has indicated that these types of structures will decrease poverty substantially; and it's understood you have to have clean drinking water and highways and power systems in order to put into place a decent standard of living.

Overall, it's my understanding that we have shifted our focus from physical infrastructure to social programs, and I wonder if there's any chance you're going to take a look at that. It is my view that when you deal with physical infrastructure, you involve a lot of the country, a lot of professionals in this country. I'm fully agreeable that we need to help everybody we can, but we also could help this country when they're dealing with foreign countries.

That is my question.

● (1635)

**The Chair:** Minister Carroll.

**Hon. Aileen Carroll:** Thank you, Mr. MacAulay. You make a lot of very good points.

As I mentioned, years ago capital projects were a very big part of what CIDA did, and other countries. Certainly now, when we are trying, in all the development world, the donors, to put a whole new focus on private sector development, congruent to private sector development is a need for more infrastructure. One can go quite a long way on micro-financing and so on, but when we look at the Martin-Zedillo report there comes a time when you need a train and roads and trucks to get the product to market. So I agree with you.

While we do not do vast amounts of that, as you wisely discerned, we do work through the development banks. Through CIDA's funding, as well as other donors' funding in there, there is more done, considerably more done, than certainly what we do on our own, in infrastructure.

That said, you may be aware of that section of CIDA that's referred to affectionately as CIDA-INC. There, we do provide financial support for partnerships between Canadian firms and their partners or clients in developing countries. This support is in the form of a contribution on a cost-shared basis. It's not a loan. At any given time, to give you some statistics, CIDA's industrial cooperation program, CIDA-INC, is working with over 350 Canadian companies. I think this is part and parcel of the response you have mentioned.

And Ralph Goodale has accepted being a member of the Blair commission. Tony Blair has set up a commission on Africa, and they will have the upcoming presidency of the G-8, concurrently with their presidency at the EU. He has put a huge focus and attention on Africa and the millennium development goals. When I spoke with Minister Goodale, he noted that in the trip he took this summer to five countries to enable him to input in an intelligent manner at the commission, again and again he was running into the countries speaking of their need for infrastructure.

To just segue quickly to Haiti, Hydro Quebec did an incredible job in Gonaïves prior to all of the troubles, and that was partly in partnership with us. It was wonderful Canadian expertise brought forward to give electricity to the only city in Haiti that had it at that time, so we do need to keep a focus.

Thank you.

**The Chair:** Mr. MacAulay, a very short question.

**Hon. Lawrence MacAulay:** Madam Minister, I understand that there is a possibility of a different focus and that we could be spending more money on physical infrastructure. Is there a trend that

way or not? Has it been looked at anyhow? Obviously, from what you've said, the results from the dollars we've spent have been good, so I would take it by what you're saying then there's a good chance that we're going to be looking at this type of thing.

● (1640)

**Hon. Aileen Carroll:** I would never want to mislead the committee or mislead you, Mr. MacAulay. I am listening carefully to Madame Lalonde's concerns that I don't have near enough money, and I have you outlining the need for some big-ticket items, and they are huge and require massive investments, but to date we have, as I said, participated with other donors. I think the more you're in the business of trying to give effective aid, the more you realize that it is only by donor coordination...not only, but it's a key tool, to accomplishing that.

Canada belongs to a group of countries called the Utstein Group, and they are all like-minded donors: the Norwegians, the Swedes, the Germans, the Brits, and us. Likewise, we, as a group, are trying to impact a kind of reform at the United Nations and other multilaterals that's required, and it's true through the outcomes of this that I think we'll be better able to perhaps tackle some of the big-ticket items in a way that we aren't right now.

But to date, I have to be honest, to the best of my knowledge what infrastructure is being accomplished by Canadian efforts is being accomplished through the development banks or through CIDA-INC. I cannot say more.

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

We will now go to Mr. Day. You have five minutes, Mr. Day.

**Mr. Stockwell Day (Okanagan—Coquihalla, CPC):** Thank you, Mr. Chair.

First, I encourage the minister to work, as far as possible, with non-government organizations. I think she has a sensitivity to that. For instance, I think the minister is aware of the Micah challenge that was put forward at the United Nations and here in Ottawa by a very large and efficient group of non-government organizations, which can deliver necessary aid in a way where dollars are maximized to the people in need. I would encourage the minister to keep a focus on that.

In terms of the direct question, you have a comment in part III of the report on plans and priorities in your estimates book where you talk about certain countries. For instance, there is a presence now in a smaller number of countries—that would be on page 66—because in your words, “other countries have graduated”. In other words, they have improved, so they shouldn't continue to get funding. The official opposition agrees with that. We think we should be focused on a smaller number of countries truly in need. If that is true, why then would we continue to fund China, and we're talking about communist China and mainland China, since they have a gigantic space program, and billions in military? Apparently they are able to buy a company like Noranda, yet we still give them aid money that could be going to others in dire need.

The second concern is, on page 80 you talk about your internal audit strategy. In paragraph 2, you said, "...CIDA has moved away from project audits to country and program audits". Yet my concern, Madam Minister, is there are so many regimes, undemocratic, repressive, in fact corrupt in many cases, that are able to skim off aid dollars, and those dollars go to the leaders themselves—for example, Mugabe in Zimbabwe. We are hearing more and more revelations about Yasser Arafat and the billions of international dollars—I don't know that he got any of ours, but he may have—that he was able to skim off. Why are we moving to a country and a program audit instead of a project-based audit? For instance, in the UN Relief and Works Agency, to Palestinian refugees who are in many cases in need, why would we not be looking at a project-by-project funding so we can really audit where Canadian taxpayer dollars are going? Again, this applies to the recent revelation about Palestinian lands, where so many of their international dollars are going to school programs that continue to incite hatred, glorification of suicide bombing and this type of thing. Why do we not move on a more aggressive project-by-project basis to really make sure we are helping people and not helping regimes that have gone sideways, or in fact backwards?

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

Madam Carroll.

**Hon. Aileen Carroll:** Mr. Day, you always ask me so many questions at once.

**Mr. Stockwell Day:** Just two.

**Hon. Aileen Carroll:** Too many.

I'll begin where you began, with China. I'm pleased that someone asked me that. We've been giving aid to China since 1981. I think it's very important that we continue to do so.

China is Canada's most important bilateral relationship—one of our most important, forgive me. It is our third-largest trading partner. It is our largest source of immigration. It is an important military and political power and it is the focus of close to a hundred bilateral agreements with other Canadian agencies, just to set the context.

It is a country that is indeed in social, economic, and political transformation. While it is growing, as you observed, in some areas that growth is very uneven. It's still a country with very high poverty.

It is also a country with huge environmental problems, Mr. Day. And it is a country about which I've heard some people say, if China fails environmentally, so will the world; if China succeeds, so will the world—the impact on greenhouse gas emissions being such.

So I think there are many connections we have with China that are vital. I think what's very important is first to understand that Canada does not give aid money to the Government of China. We do, instead, as you noted earlier in your remarks, work very effectively with NGOs.

I think what is important is the fact that we all recognize that China is a huge force and will continue to be that in the world, and that China has a lot of areas with regard to governance, human rights, rule of law where, to say the least, there are many challenges yet to be met. It is in that area that Canada is having an incredible impact.

I believe that how China grows and how it does not grow is certainly going to impact on all of this. The ability Canada has to exercise influence there in their reform, within a milieu where the Chinese are very comfortable in looking to us for advice on the reform, for methodology to achieve that reform....

I look at the programs we've undertaken at the Supreme Court with the Canadian Bar. I look at the work the Alberta Research Council is doing, to come back to the environmental, in helping China develop cleaner sources of energy. I look at the companies in Alberta working in China, again, with us, with CIDA, to help establish business opportunities. I must say I was very impressed with Premier Ralph Klein, who recognized very much the importance and mutual benefits as he announced in June a development concept establishing Alberta-accredited schools in China and sharing best practices.

Often you look at development in the way we've discussed today, and it's huge to keep in mind that it is the eradication of poverty, but development is a very large tent.

• (1645)

**Mr. Stockwell Day:** Mr. Chair, I appreciate the minister helping Ralph Klein during his election, but I'm asking why—

**The Chair:** Mr. Day, you're already close to seven minutes. I must say she was expecting your question, and she really proved that Alberta received some attention from CIDA. I just want to let you know about that.

We'll go now to Ms. Desjarlais, please. One question, Madam Desjarlais, second round.

**Mrs. Bev Desjarlais:** That China would look to Alberta is quite indicative of how things are.

Apart from that, I do want to comment on the whole issue of tied funding in particular areas.

Mr. MacAulay is suggesting that if we do infrastructure projects, we should be utilizing the Canadian engineering technology and experience we have here. Certainly in areas of food, through CIDA, I know it's tied to using Canadian grains. You and I have talked about this as well, the number of dollars that are actually going to producers, so to speak, as compared to the cost that goes toward the transportation of grain.

I think we certainly need to look at the whole tied funding process. It's very realistic that food can be provided in a much more costly manner. If it's closer to the area where it's going, you get rid of the transportation costs that we're dealing with here.

Also, in the area of the experience Mr. MacAulay was talking about.... Am I allowed to call him by his real name instead of his riding when I'm at committee? I am—okay.

I'm sure a lot of those countries have that experience as well. I'm wondering, if you do decide to go that route, whether you wouldn't be ensuring that we're utilizing experience in those countries—whether it's related to engineering as well—and not tying it necessarily to firms that operate out of Canada, once more getting your best bang for your buck.

• (1650)

**The Chair:** Ms. Carroll.

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

Those are very good insights.

I think what Mr. MacAulay is suggesting does not necessarily speak to tied aid, but I think it speaks to the opportunities for Canadian companies to partner. I may be wrong, but I think that can have a lot of good effects. The expertise and know-how that's taken to partners in developing countries is a good transfer, the same kind of transfer of expertise I was explaining to Mr. Day.

On the other hand, in regard to tied aid per se in the traditional sense, Canada has stopped tied aid. I think it has one of the best track records internationally, save and except for food aid, which you wisely discerned, and that was a cabinet decision, that 90% of Canada's food aid would continue to be tied.

We work with Oxfam Canada and Oxfam-Québec and the Canadian Foodgrains as our two food delivery agents or partners. They have recently asked that we cease tying even the food aid. I have responded that I would like full consultation with the agriculture producers, with farmers, all of whom are having a pretty tough time, to hear their views. What I understand is, as you've mentioned, whereas we tie 90% of the food that is sent from Canada, 40% to 60% of that is the actual food, the balance being the cost of transportation. So I would certainly keep that in mind in the consultations.

I understand from the two highly regarded NGOs that this is but 1% of what is produced, or revenue—I'm not sure—to the Canadian farm community. But again, I would want to have the opportunity to hear from the farm community if that is so.

There's no doubt that tied aid is an old way of doing things. We've emerged from those old days completely, except for this decision. I was in a situation this year with an impending famine—I don't think it's hyperbole—in North Korea, and in that instance I used the 10% differential to have food moved quickly from China into North Korea, because it would have been a couple of months before the next shipment of food from Canada would arrive.

So all of those things need to factor into it. But be assured that the consultations will be very open, and if any member wishes to weigh in on that, we'd be more than pleased to have the benefit of your thoughts.

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

Now we'll go to Mr. McTeague, please.

**Hon. Dan McTeague (Pickering—Scarborough East, Lib.):** Merci, monsieur le président.

Minister, thank you for being here. You've been answering quite a few of the questions here and satisfying a good number of concerns

the committee has held. I'm left with very few, but the one that is of interest to me is your comment in your paper to us today about strengthening the effectiveness of your aid. In particular, you've identified four sectoral priorities: health, particularly the fight against AIDS; basic education; governance; and private sector development.

I'm wondering if that in some way detracts from, takes away from, your ability to respond very rapidly to matters of urgency or imminent crisis that we might see from time to time and how that may shift the focus away from some of the comprehensive solutions your department has been well known for in the past.

**The Chair:** Ms. Carroll.

**Hon. Aileen Carroll:** That's another good question.

We are building that into our processes. By that I mean that CIDA is very engaged in accomplishing a coherence and a focus that we've discussed from a variety of angles here this afternoon. At the same time, Mr. McTeague, we're very cognizant of the fact that Afghanistan is not a major country with which we have done a lot of development. We did have a bilateral...but all of a sudden, with the meltdown of the Taliban post-September 11, and the terrorist dimension, Afghanistan now has the largest bilateral aid program in CIDA's history—and then Iraq, Sudan, and Haiti, though Haiti has been a long-time partner in development.

So while we have to reach for—and we are going to get there—a whole new focus in what we do and the number of countries in which we do it, we will, as you've mentioned, always have to build in a reserve that allows us the flexibility in humanitarian assistance, under peace and security, for failed and failing states. In that process and in those discussions we look to our partners, the foreign affairs, defence, and trade departments, as we try to develop how we're going to do this well within the international policy review. So the question is timely, and the reality is very much a part of what we're doing.

Canada right now gives aid to 155 countries. This simply means we're disbursed beyond an ability to be effective, and we will reach the millennium development goals by getting ourselves into fewer countries where we can have an impact, keeping in mind where our fellow donor countries are so the effect is always cumulative on a world suffering horrifically from the ravages of poverty, as it is.

• (1655)

**The Chair:** Thank you.

Mr. McTeague.

**Hon. Dan McTeague:** I simply want to say I've seen the minister in action. I know she is sitting in the very position I was in before. I want to commend her. It's pretty obvious to Canadians that her hand is firmly on the direction of the department. It's warming to know that we are able to respond to some of the world crises, as she did in Darfur. My hat's off to her.

**The Chair:** Thank you.

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

[Translation]

**The Chair:** Thank you, Minister.

[*English*]

It's your first appearance in front of our committee. I think it went very well.

[*Translation*]

I would like to thank Mr. Kingsley, Mr. Moloney and Mr. Cameron.

[*English*]

It was a pleasure.

Now we have future business to discuss in camera.

[*Proceedings continue in camera*]

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