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Mr. Massimo Pacetti

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• (1405)

[English]

The Chair (Mr. Massimo Pacetti (Saint-Léonard—Saint-Michel, Lib.)): This is our last panel before we leave Calgary. As they say, we saved the best for last, so don't disappoint us.

We're here

[Translation]

pursuant to Standing Order 83.1, to continue our prebudget consultations 2005.

[English]

I'm going to allow the groups a seven- to eight-minute opening statement to present their briefs. I would appreciate it if you could keep it to that time limit, because the members are going to want to ask questions and I really don't want to interrupt you.

If we can go in the order I have here, we have the Calgary Chamber of Voluntary Organizations going first, and Ms. Letizia.

Ms. Pat Letizia (Chair, Board of Directors, Calgary Chamber of Voluntary Organizations): Good afternoon, my name is Pat Letizia, and I'm the chair of the Calgary Chamber of Voluntary Organizations.

The primary focus of our presentation today is on federal policies and practices in relation to how the Government of Canada invests in and supports the voluntary sector across the country.

I'd like to introduce Janet Lavoie, our director of membership development, who will give our presentation.

Ms. Janet Lavoie (Director, Membership Development, Calgary Chamber of Voluntary Organizations): Good afternoon, everyone.

I want to start with a brief background on the Calgary Chamber of Voluntary Organizations, which I will refer to as CCVO. We were established in 2003 to champion the value of the sector, the voluntary sector being non-profits and charities in Canada, and bring awareness of the sector to business, government, and the public; to facilitate networking, capacity-building, and the sharing of research and resources; and to articulate the views of the sector and provide leadership on public policy issues. This brings us here today.

We are here because of our desire to again champion the values of the sector and enhance the working relationship between the voluntary sector and the Government of Canada. CCVO is a fairly new organization, one of a number across the country that are

forming and coming together with the similar goals of strengthening charities and non-profits.

I know you've received other briefs about the contribution of the voluntary sector and specific statistics are available in our submission. But in general, the sector contributes significantly to the health, strength, and vitality of communities in Canada. We can roughly identify two main ways in which the sector does this. One is by the sheer volume of its contribution to the GDP, its annual revenue and employment numbers, which we're beginning to understand more fully because of recent research. The other is by how the sector creates and sustains an environment or a context by which business is attracted and by which communities become successful and rich, safe, secure places within our country.

What I find so exciting—many of us do—and important about the voluntary sector is that the organizations that comprise this sector, the charities and non-profits that you probably interact with on a daily basis, reflect and respond to their individual communities. They spring up from their individual communities and yet, as a whole, they play a critical role in shaping our country and, we believe, will play an increasingly important role in ensuring the future prosperity of Canada.

The sector's relationship to the federal government is absolutely critical. The federal government is both a regulator and significant funder of the sector. The government's policies and processes can go a long way to undermining or strengthening our productivity, our innovation, and how effectively we can do the work that we need to do.

The federal government has indicated its interest in improving the relationship with the sector through the establishment of the voluntary sector initiative, which I'm sure you are aware of, and by committing to the accord and codes between the sector and the government—the code of funding and the code of policy.

We definitely applaud these initiatives. Now, however, it's critical that we continue to work through the particular challenges in the relationship between the two parties. Our first two recommendations to this committee speaks specifically to these.

The first is to develop an improved coordinated funding regime for the voluntary sector with appropriate and meaningful accountability mechanisms. The funding regime and the funding mechanisms by which the federal government works with the voluntary sector have changed significantly in the past 10 to 12 years. Those have undermined the success of the relationship.

We are looking for increased multi-year funding that adequately covers infrastructure and administrative expenses, reasonable and flexible arrangements in the timing and delivery of funding, improved accountability requirements, a harmonized application and reporting process across the Government of Canada, and realistic planning timeframes.

Our second recommendation is to maintain its dedication to regulatory improvement and simplification. The federal government has made important changes to reduce the regulatory burden on charities and non-profits, including the work of the voluntary sector initiative on regulatory reform. However, some changes made to the Income Tax Act recently, as well as the ever-increasing complexity of compliance for those with charitable status, have seriously escalated the burden of compliance and accountability. For example, recent changes to the disbursement quota regulations affecting registered charities have significantly increased complexity and confusion around how to track and how to report on the kinds of numbers that the federal government needs to have from charities.

●(1410)

So as you can see, the first two recommendations speak directly to the question of productivity of the sector in relation to government practice and policy and how those practices and policies undermine or enhance that productivity. It's not just about absolute dollars. It's how the dollars are distributed and how they are accounted for.

Number three is to allocate funds for the national survey of non-profit and voluntary organizations on an ongoing basis. This survey was absolutely groundbreaking and allowed us to understand how large the sector was in Canada, which we did not understand before, and how it contributed to Canada. We need to track this over time. The national survey of non-profit and voluntary organizations and the satellite account were both supported by the federal government and set a benchmark for how we begin to understand the contribution we make to the country. This new knowledge needs to be monitored over time, as I mentioned, so we're asking for sustainable funding for the NSNVO to be integrated as part of the national statistical system.

Finally, we'd like to recommend support for the creation of the charity bank. The notion of a charity bank has surfaced a number of times, but now it's really coming together. The sector has particular financing needs and opportunities that are not properly served or advanced by the current banking structure. Unnecessary barriers are present, unnecessary expenses are incurred by charities, and entrepreneurial opportunities are missed. We believe the initiative to create a bank will provide an innovative opportunity to respond by providing financial products and services and reducing the cost of banking services. Plus, it will allow us to bring the innovation that we can to a place that understands it in financing terms. So we recommend the Government of Canada take a lead role in supporting the creation of the bank by supporting its tier-one capital needs.

To wrap up, we submit four recommendations in which we ask for continued and enhanced investment by the Government of Canada in the sector, but the investment is in your own processes, practices, and policies that directly and dramatically affect the productivity of the sector. We recommend support for the NSNVO research and the charity bank.

I wanted to conclude with a reminder that charities and non-profits—the voluntary sector—significantly affect, both directly and indirectly, the productivity and the growth of human and entrepreneurial capital in our country.

Thank you.

●(1415)

The Chair: Thank you.

The Calgary Zoological Society, or as otherwise known, the Calgary Zoo.

Mr. Graham.

Mr. Alex Graham (President and Chief Executive Officer, Calgary Zoological Society): Thank you very much, Mr. Chairman.

Welcome, committee, to Calgary.

We're going to make a brief presentation to you today on the Calgary Zoo, a northern portal from a national centre. I want to lead off my remarks by illustrating to you that for the last number of years, a few years, we've been putting together a five-year business plan or strategy for the Calgary Zoo. It's a big document. A lot of work went into it. Today I want to talk a little bit about some of the highlights of that.

In this document we are talking about undertaking a major expansion of the zoo and its activities to the tune of some \$160 million to \$170 million over the next five years. In that context we have already advanced or asked the Government of Canada for a \$40-million contribution to our project, which would be leveraged by the province, the city, and our private and corporate sector, who support us so strongly.

Now I'll present my formal remarks.

Canada has a unique opportunity and responsibility to lead by example in creative, collaborative northern development. Our Canadian north has great wealth in resources, in its people and culture, in its strategic position vis-à-vis Canadian sovereignty, in its influence on our Canadian identity, and in its early warning on the effects of climate change. To sustainably develop this wealth, there are structural institutional and physical challenges to overcome. These hurdles impact education, health, science, resource development, transportation infrastructure, communication, and traditional knowledge and culture.

We are aware that this committee has focused on enhancing productivity growth in Canada and has searched for appropriate actions for enhancement in entrepreneurial capital, human capital, and physical capital or communities. As you listen to the rest of my presentation, please note the strong potential in both human and physical capital. The Calgary Zoo has developed a project known as Project Discovery, which will help come to grips with some of these challenges. A key element of this project will be the building of a unique Arctic facility, called Arctic Shores, which will house Arctic species in habitats of never-before-seen quality, realism, and complexity.

As we ready ourselves for the project, we are speaking to northerners, resource companies, research organizations, and governments to develop our messaging and our programming. Incorporated into the facilities will be leading-edge communication facilities, which will enable superb educational videoconferencing and study capabilities, building tangible bridges from north to south, and south to north.

The Calgary Zoo is uniquely positioned and well qualified to provide a window into the north for Canada and the world. It is the world's northernmost zoological association, accredited by the American Zoo and Aquarium Association, or the AZA.

We have broken traditional stereotypes of what a zoo can contribute to real research, conservation, outreach, and education. One of only four accredited zoos in Canada, we have the largest program for reintroduction of endangered species. We welcome in excess of 1.2 million visitors annually. That's one heck of an audience for any program. This has made us the second most visited attraction west of Toronto. Believe it or not, the only attraction that exceeds us is West Edmonton Mall, and what a disappointment that is for us.

Conservation is a fundamental tenet to our mission. Our zoo is a part of a program that has brought whooping cranes, North America's most endangered bird, back from the brink of extinction. The Vancouver Island marmot, Canada's most endangered mammal, is also being rescued and reintroduced through efforts by the Calgary Zoo.

We have played a senior role in the world's most successful reintroduction program. Canada's swift fox was extinct. It has now been reintroduced to the Canadian prairies and is repopulating by itself.

• (1420)

Our recent and widely known Destination Africa project included a program to conserve hippo habitat in Wechiau, Ghana. It was important to create an economically sustainable development for the local people through tourism, while at the same creating a stable, safe environment for the hippo. Incidentally, in serving the hippos, we have now preserved habitat for over 200 other species in that part of the world and in the wild. This model is replicable. We can do it again, and we can do it in the north.

Education is an essential focus for us. Hundreds of thousands of people take part in formal and informal learning programs throughout the year. ZooSchool was created at the Calgary Zoo and has become a model for similar programs.

The Arctic Shores initiative will address some key mandates of the Government of Canada, particularly its northern strategy, climate change, sustainability, and sovereignty agendas. While it is doing this, a world-class facility will emerge and be created that builds bridges between Canada's north and Canada's south.

For example, some of the key tenets of the federal government's northern strategy fit perfectly into our initiative: first, establishing strong foundations for economic development; second, protecting the environment; third, preserving, revitalizing, and promoting culture and identity; fourth, reinforcing sovereignty, national security, and circumpolar cooperation; and finally, developing northern science and research.

As well, Canada's secure energy future, a key focus for Canada, relies in part on responsible development of Canada's northern resources.

In line with Canada's environmental priorities, the need for climate change research and adaptation research and planning is especially vital in the polar regions.

Northern people, especially with recent settlement claims, are asserting their right to co-develop initiatives, institutions, and resource development occurring in their territory.

The International Polar Year begins in 2007, and Canada as a key participant has set aside a significant budget to contribute to northern research.

Our Canadian identity. Now over 200,000 new immigrants enter Canada each year. Most Canadians will never venture north to the Arctic, but it is essential for every Canadian's understanding of our nation.

Finally, more than ever there is a requirement to assert our sovereignty in the north. A greater presence, be it through activity, institutions, or programs in the north, will assist in this regard.

The project will also contribute to Canada's tourism and economic development, especially helpful in making the connection between economic growth in the south and in the north. As the best place in the world to experience the Arctic, the Calgary Zoo can and will become Canada's national zoo—and I hope you give some consideration to naming it Canada's national zoo—a key destination for those travelling to or from the Olympics in Vancouver in 2010.

This is a tangible project that several departments in the government can make use of to directly fulfill their mandates. It is a defined project with a defined period of time, for which results can be assessed, monitored, and publicized for all Canadians to see concrete benefit from.

The entire Project Discovery is estimated to cost over \$160 million. It will be completed before the Vancouver Winter Olympics in 2010. The City of Calgary has already committed over \$45 million to the zoo, while the Province of Alberta has currently been asked for \$45 million. Potential lead partners in the resources industry are now being approached, and we're getting a warm response; these companies want to build substantive partnerships with the northerners and bring benefit to northern communities. And we're looking to \$40 million from our federal government to assist matching that \$40 million from the private sector.

While we know this is a substantial amount of money when seen as one lump sum, there are responsible ways to break the request down to create value in a variety of areas important to the Government of Canada, as outlined. In addition, we believe the zoo's project should have access to infrastructure funds, as the construction of this facility contributes to both the local infrastructure and a much-needed communications infrastructure between north and south.

Ladies and gentlemen on the committee, Canada has a responsibility to fulfill its mandates in the most efficient way possible. What we are presenting here is an amazing leveraging opportunity for the federal government and the people of Canada. We are asking that the Government of Canada give only one-quarter of the dollars required for the project, and in that all Canadians will benefit. I hope we can work together on this.

• (1425)

I look forward to your questions during question period.

The Chair: Thank you, Mr. Graham.

From Cause Canada, Mr. Carrick.

[*Translation*]

Mr. Paul Carrick (Founder, Cause Canada): Good morning ladies and gentlemen.

My name is Paul Carrick and I am Executive Director of Cause Canada, a Canadian NGO. We have more than 20 years experience in the third world. I have worked myself more than 30 years in a number of countries in West Africa and Central America.

[*English*]

I would also like to continue and say in English that the not-for-profit organization that I run has worked in West Africa, Central America, and Asia for over 20 years. I have 30 years of experience as a Canadian foreign aid practitioner in some of the most difficult areas of the world. I provided Canadian foreign aid in conflict zones in Guatemala, Liberia, and in Sierra Leone.

I have risked my life on more than one occasion while serving my country as a Canadian foreign aid worker. I want to boldly say this afternoon that Canadian foreign aid is often life saving, profoundly appreciated, and frequently conducive to building lasting peace in war-torn countries.

Canada has a very unique role to play in the world, and the Canadian solution in addressing international challenges is frequently undervalued. I encourage my fellow Canadians to not make this error. We have an important role to play and important things to

say. Canadian foreign aid is important. I would suggest that Canadians need to develop a better sense of our international privileges and our international responsibilities, which is my point this afternoon.

A year and a half ago, John Manley spoke in Calgary about the correlation between mass poverty and global security. He acknowledged that the poor must be heard and their needs addressed. If this is not done, some may be tempted by unprincipled groups to embark upon a course of violence. To think that the majority of the world's poor would undertake such action is to insult them. Nonetheless, some may be led astray unless the legitimate needs of the poor are met.

There is a correlation between mass poverty and global security. The right to safe housing, food, formal education, health care, and a life free from violence is what the Millennium Declaration is all about. Canada stood with the entire General Assembly of the United Nations in September of 2000 to embrace this document. The millennium development goals, the MDGs, were seen as being the companion document and were understood to be the road map by which the Millennium Declaration could be achieved. One of the prime objectives of the MDGs was for all nations of the world to move towards allocating 0.7% of their gross national income toward formal development activities.

Ladies and gentlemen, my point in speaking to the Standing Committee on Finance this afternoon is to strongly encourage Canada to honour its commitment to the Millennium Declaration by embracing the millennium development goals. Very specifically, I am asking for more and better foreign aid and that Canada without hesitation would move toward allocating 0.7% of our gross national income to Canadian foreign aid.

Thank you.

The Chair: Thank you, Mr. Carrick.

From the Clean Air Renewable Energy Coalition, Mr. Rudolph.

Mr. Mark Rudolph (Coordinator, Clean Air Renewable Energy Coalition): Thank you very much.

It's a pleasure to be here today in Calgary. I was before the committee at the beginning of November last year in Ottawa and recognize a number of faces.

My name is Mark Rudolph, I'm the coordinator of the coalition. I'm joined today by John Keating, who is the CEO and co-founder of a publicly traded company called Canadian Hydro Developers. For 15 years they've been developing wind power, run-of-the-river hydro, small hydro, and biomass facilities in B.C., Alberta, and Ontario. Indeed, one of the biomass facilities is in the riding of the honourable member from Peace River, at the Canfor facility.

There is a coloured deck presentation, which all of the members should have. I'm going to go through it quite quickly, doing some key highlights.

We're here today with the basic theme of building an industry, trying to serve the economy of the future.

I'll give you a little background on the coalition, and some of you may have heard this in the past. We are what I call a group of counterintuitive strange bedfellows. We're laser-focused on advancing green power in Canada. We have but one rule when we get together on the phone monthly and at workshops once a year, and that is "thou shalt park thine biases at the door".

The little listing shows all of the companies and organizations that are part of the group; there are 23 in total, 16 corporations and NGOs, and the Federation of Canadian Municipalities. If you look carefully at the list, being here in Calgary it's quite interesting. This is not only the oil and gas capital of Canada, but this is the energy capital of Canada. Indeed, almost 50% of our corporate members are from Calgary.

What's our vision? We do indeed want to build an industry serving the economy of the future. Our goal is to have 7% of all electricity production from low-impact renewables by the year 2010 and 15% by the year 2020. We don't deem these numbers to be outrageously large; in fact, many people have told us they're quite conservative. But given the nature of our counterintuitive strange bedfellows, this is where we have landed as a vision to go forward.

If you look at where we are right now on this chart—it's a little difficult to follow—along the left-hand side you'll see that in 2005 there aren't a lot of renewables out there: 590 megawatts of wind, 1,600 megawatts of biomass, 2,000 megawatts of small hydro, and a very small amount of solar photovoltaic. Our target of 15% by the year 2020 takes you along that top line. So indeed, by the year 2020, we see the need for 35,600 megawatts of low-impact renewable power. And at the provincial level, in response to some of the things the federal government has done over the years, there are indeed renewable portfolio standards and/or request for proposals, mostly in the wind area, so that we'll probably put in place at least 4,000 megawatts of wind by 2010, 8,000 megawatts by 2016.

Where are we at now and where do we need to go to help build this industry? In the December 2001 budget that Mr. Martin had as finance minister, he introduced something called WPPI, otherwise known as the wind power production incentive, to cover approximately 1,000 megawatts of wind. In the last budget of this year, February 23, that program was extended to cover 4,000 megawatts, and indeed for the non-wind types of technology it was expanded in something called RPPI, the renewable power production incentive, to cover 1,500 megawatts of power. This covers things like small hydro and biomass, geothermal, things of that nature. There are actually no incentives out there that are applicable to solar photovoltaic, in spite of the fact that the public has a very strong liking for solar power.

What do we think needs to be done in order to build this industry? We feel that fundamentally the federal government needs to invest more money, basically by doubling the size of the amount of money applying to the power production incentives. While we have 4,000 megawatts for wind and 1,600 megawatts for WPPI, we think that needs to be increased to cover a total of 12,000 megawatts, which would be comprised of approximately 8,500 megawatts of wind and 3,500 megawatts of non-wind sources. The megawatt amount relates to the nameplate, the capacity factors. Windmills don't run 100% of the time, they tend to run about 30% of the time. The actual amount

of electricity produced is not exemplified by these numbers; it's a different number entirely.

● (1430)

We've also suggested two options for the solar photovoltaic side of things to create a 100,000 solar roof program, and you can do that by a buy-down program, which would in essence give someone about 30% of the cost of installing solar photovoltaics at their home, or this feed-in tariff program, which is quite popular in Europe. That would only go towards creating 200 megawatts of solar PV power.

When you look at the next chart, what you see are the actual costs involved here. You're basically talking \$1.1 billion towards wind, about \$1.1 billion towards non-wind technologies, and the two different options for solar, being in the range of \$400 million and something. In total, when you add them all together, it's about \$2.6 billion. This is money that would run from approximately 2009. The solar would run from 2006 to 2016, but for the larger portions, being the wind and the non-wind, it would run from about 2009 to 2024. The total amount, therefore, comes out to an average of \$150 million a year.

Canada's federal government is known historically for contributing moneys to emerging technologies. As a case in point, approximately 52 or 53 years ago the Government of Canada at the time created Atomic Energy of Canada Limited, and who knows all the numbers that have been ramped up? I don't think parliamentarians necessarily thought much about the money they would be giving to AECL. I'm somewhat agnostic on nuclear, if I may say so; I'm just giving you a comparison of how the government has given money to different emerging technologies for electricity. The parliamentary appropriation given each and every year to AECL is about \$162 million to \$180 million, but none of us probably ever think about it. What we're looking at here is creating a whole industry for less per year than what goes every year to AECL.

I'm going to skip over the next chart because it's a little detailed, but it shows you all the detailed numbers for how much money goes to each type of technology and what the capacity factors are.

For you to look at all of this, where we're trying to create this industry and trying to meet our vision of 15% by the year 2020, there's a chart here showing total job estimates. What it actually shows is that by the year 2015 you can lever 20,000 new jobs with this renewable energy industry. What the chart shows is a conservative—not large C, I may add—yet optimistic number for renewables, and we've averaged that to the 20,000 by the year 2015. What it also compares is the number of jobs created by coal or natural gas plants that would produce the same amount of electricity, and these are jobs that go into the design, construction, fuel supply, and operation and maintenance. So net-net, by producing renewable electricity you will create more jobs.

Last but not least, the benefits are quite apparent. We're creating a whole new industry for Canada, we're adding to the security of supply in the electricity mix, there's competitiveness and there's investment in innovation, you are hopefully bringing on some made-in-Canada manufacturing facilities, there's regional economic development, etc. By the way, you're also helping to clean the air and reduce GHG emissions.

In conclusion, I'll say we feel that green power, low-impact power, is moving out of the niche and into the norm. There are greater benefits to Canadian society, the economy, and the environment. The public is demanding more and cleaner sources of power, and indeed good public policy in this day and age is demanding greater security of power supply. At the end of the day, we'd like to build an industry to serve the economy of the future.

Thank you kindly, Mr. Chairman.

• (1435)

The Chair: Thank you, Mr. Rudolph.

We'll have 10-minute rounds, and the first round is it; that's all.

This is just for the witnesses. It's ten minutes for questions and answers, so if you could keep your answers concise, we would appreciate it.

Mr. Penson, do you want to go first?

Mr. Charlie Penson (Peace River, CPC): Thank you, Mr. Chair.

I'd like to welcome the panel here. It's certainly been interesting. Our pre-budget hearings are held all across the country, where you get a wide diversity of views, and we welcome that.

I'd like to start first with Mr. Graham, whom I've known for a long time. Mr. Graham, I hear what you're saying about your programs for re-establishing endangered species. I think that's a very good program you're working on. We both know the trumpeter swan was in that category at one time, but some very good work done in the Grand Prairie area by a gentleman by the name of Bernard Hamm was responsible for re-establishing the trumpeter swan, the magnificent bird we see in western Canada in particular, to numbers that have put it into the category where it's no longer an endangered species, and it's doing very well. So I welcome the work you're doing with the other areas, such as the whooping crane. Keep up the good work, and good luck with your expansion on the Calgary Zoo.

We have limited time, Mr. Graham, so maybe we can come back to you. But I do want to talk to the renewable energy sector as well.

I'm familiar, Mr. Rudolph, with your operation in Grand Prairie. Again, I think what's made that possible is the deregulation of the energy industry, which has provided opportunities for cogen that weren't possible before with a very strictly regulated industry. So I welcome that.

We know that your facility in Grand Prairie, Mr. Keating, is taking fly ash, a waste product that was being burnt in a big flame all the time over the city of Grand Prairie—now that's being captured—and generating electricity and hot water for public buildings in the city of Grand Prairie. That's the kind of innovation I think we need. Also, in the oil and gas sector, where there used to be flaring, now there is some capturing of that solution gas, and it's put back into the grid.

I do want to ask the question—because a lot of people wonder sometimes—if this is such a good industry, why isn't it profitable? Why do you continue to need government help to establish it? Why can't it just go out there and compete? Maybe you can have a go at that.

• (1440)

Mr. John Keating (Chief Executive Officer, Canadian Hydro Developers, Clean Air Renewable Energy Coalition): Yes, I will. Thank you very much for the question.

Alberta is the only deregulated market in Canada for electricity, while other markets across the country follow different models. So we find that requests for proposals are required, and long-term contracts are required to be issued, in order to get projects built outside of Alberta. Sometimes that happens within the province as well.

The technologies we're talking about here are alternative energy, or on-the-come, technologies. Biomass, wind, and small hydro are leading-edge technologies. They are on the expensive side of alternatives when compared to technologies like coal. With coal-fired generation, if you're competing on a strict today's cost basis, it's very difficult to compete.

As a result, the idea of having an incentive like this in place brings us onto a more level playing field, because the environmental externalities in coal are not reflected in today's system marginal price in a properly balanced, competitive marketplace. There's no provision made for the future decommissioning of those plants, or for the cost beyond the cost of the coal and the employees to run those plants. There's no societal cost in the equation with respect to the pollution those plants are creating. So it's very difficult to compete. Bringing to bear an incentive like the renewable power production incentive or the wind power production incentive as an interim measure over a period of 10 years allows some of these technologies to enter the mainstream.

Mr. Charlie Penson: Mr. Keating, would it also be that some of the technologies you're using are fairly new and will improve as time goes on, so you will be able to be more competitive?

Mr. John Keating: They are. For instance, the cost curve for wind energy has come down something like 60% or 80% from where it was 20 years ago. So wind energy has come a long way in the last 20 years.

Hydroelectric power has been around for 150 years; it's the longest-standing technology. But the types of plants that are low-impact today—that are EcoLogo certifiable by Environment Canada, which is our national standard for what is low-impact—still produce expensive power because we're not creating a dam with a big lake behind it, and all the associated environmental impacts with that type of development.

Again, biomass is a relatively new technology, and it's expensive. The only reason that biomass is becoming attractive today is that fossil fuel prices have risen to the point where making steam with wood waste is economically justifiable as compared to incinerating that wood waste and buying natural gas.

Mr. Charlie Penson: And we've heard that in Vancouver over the last couple of days from the forest sector.

What I am concerned about—and I don't think it's what you're talking about here—is when we move to the type of alternate energy that actually consumes more energy to produce than it is a benefit to society. In some cases, we seem to be moving into sectors where it costs a lot to generate that hydrogen or ethanol, or whatever it is, and there may be a benefit to that, but the net benefit may not be all that good.

I wonder whether you have any of those projects in your stable, that are in that category.

Mr. John Keating: I'm not really qualified to speak to what you're asking about.

What exactly is your question again?

• (1445)

Mr. Charlie Penson: I'm looking at the net benefit to society. If it takes more energy from the petroleum sector to produce something that gives off ethanol, for example, or hydrogen, than it nets in the end, what's the use of doing that?

Mr. John Keating: That's a very good question, and in a true renewable sense, to generate hydrogen you're better off using the forces of the wind or gravity in the form of hydro power to generate that hydrogen, rather using natural gas to generate that hydrogen. The marketplace will decide which technology to build and when, and what we're trying to do is provide a bridge to that future.

Mr. Charlie Penson: I'll just go back to Mr. Graham.

I didn't give you a chance to comment. I didn't know how much time I'd have.

Can you tell us how much of your expansion has to do with endangered species? How do you plan to proceed in that area, to continue to develop that sector?

Mr. Alex Graham: Thank you, Mr. Penson.

The program will address endangered species all along the way as part of our conservation initiatives. For example, out of the total \$170 million project, somewhere in the vicinity of \$30 million is going to address restoration of our elephant building and our elephant habitat, and so on, for Asian elephants, which are endangered now throughout the world. Clearly, organizations like ours are going to have to ramp up our ability to breed and sustain these species into the future or they will simply disappear before our grandchildren become grown adults in this world.

Some of these programs, in addressing conservation as well as endangered species, will address some of the things that Mr. Keating just talked about in terms of building sustainable buildings and stopping the emission of gases, and so on. For example, one of those projects is our conservatory, which is a 40-year-old building with single-pane glass. It is hugely expensive to operate, highly

inefficient. We want to turn that facility into helping the Government of Canada address the one-tonne challenge, by building sustainable LEED silver, LEED gold, or LEED platinum buildings, if we can do that, and walking the talk and teaching people things they can do in their daily lives about enhancing our environment, whether it's composting or alternate sources of energy, some of which we will work on with John and his company on displaying and promoting and advancing.

But in terms of endangered species specifically, I think the time is now for us to take a very proactive and progressive approach to dealing with the risk that exists in the north. While we don't all understand the impact of global warming, we do know it's here; we know it's real. We know our population in the world is going to grow to some six billion people in the not-too-distant future, and we know that the polar bear is getting more and more under pressure. If we don't start today and put in place the scientists, the researchers, and the facilities to allow us to conduct good solid research and to work hard on conservation, we have literally hundreds of species in the north that are at risk.

If you look through the CITES and the world publications of endangered species, to our chagrin, Canada is becoming one of the fastest-growing nations in the world to have species start to enter the endangered list, so here we are, as an organization, not focusing on our own backyard. That disturbs me a great deal.

Mr. Charlie Penson: Thank you.

The Chair: Thank you, Mr. Penson.

[*Translation*]

Mr. Bouchard, you have 10 minutes.

Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ): Thank you, Mr. Chairman.

I want to thank each of you. I have to tell you that I always find it marvellous whenever I hear a presentation, because I learn something every time.

My first question is for the Calgary Chamber of Voluntary Organizations. You talked about non profit organizations contributing to Canada's vitality. You also talked about the whole volunteer sector and the role that it plays in terms of Canada's growth. I would add that a society without volunteers is a society that is denying itself many benefits and services.

Moreover, you indicated that a lot of changes have been happening in the past 10 years. If I understood you correctly, these changes have reduced the support to non profit organizations and to the volunteer sector. You are also calling for a decrease of regulation dealing with non profit organizations and volunteering. And finally, you recommend that we offer more support and that the government be involved and invest in this sector.

My question is this. What had the most harmful effect on non profit organizations and the volunteer sector? Is it the regulation, which I understand you find too cumbersome, or the lack of support that you have underlined?

•(1450)

[English]

Ms. Janet Lavoie: Not wanting to commit to either camp, I would suggest it is both. On the number of dollars, certainly there were significant cutbacks approximately 10 years ago. In Alberta that happened both provincially and federally, so the sector was hit significantly from both levels, so it is the dollars.

To compound the dollars, funds have been reduced, meaning an organization does not know from year to year whether particular projects will be funded, so they are renewing staff contracts every year, which becomes highly inefficient in terms of human resources. They have a difficult time in projecting what their finances will be over a number of years, and therefore in planning—investing dollars—because every 10 months they may or may not be dropped from the funding portfolio. That uncertainty has caused tremendous loss of productivity and efficiency within the sector.

It's also the processes by which different government departments work or do not work well with each other. For example, there's a voluntary organization in Calgary that has approximately 45 different funders. This is not particularly unusual. A number of those are federal government funders, but they're all asking for slightly different, and sometimes incredibly different, reporting processes at different times of the year, and the money comes at different times of the year, so trying to manage that really increases the administrative burden. We feel it's inefficient. Look at the process: if the federal government agrees to fund a project in October, the money doesn't come to the project until next March, and the final report is due in April. So there are problems. It's those kinds of mechanisms we would like the government to commit to examining and streamlining, to make them more efficient.

I hope that answers your question.

Ms. Pat Letizia: Let me add that I believe the regulatory environment in which organizations have to operate is very difficult in many ways, but I also believe the primary issue facing the voluntary sector in Canada is funding. You have a sector comprised of millions of people who are expected to be highly educated, expected to be professional, to participate in public consultations, to travel, to read extensive reports, provide feedback—all of those things that are very time-consuming and take up a lot of resources—but there are very few funders willing to pay for those kinds of initiatives. There is a downloading of responsibility to the sector by not just the government but by society in many cases, people who believe that many of the services they take advantage of are provided by government dollars and not in fact by charitable dollars and volunteers. It becomes increasingly difficult, as the mandate of the voluntary sector increases and the responsibility to care for society and the public interest increases, when the resources and the capacity diminish.

•(1455)

[Translation]

Mr. Robert Bouchard: My second and last question is for the Clean Air Renewable Energy Coalition.

You said that you want to promote green energy sources. You told us about your targets. You are also promoting wind power. You deplore that there is no incentive in the area of solar power

development. You also mentioned that the public is interested in this environmentally friendly and renewable energy source. However, you said very little about fossil fuels that can be considered as polluting energy sources and that produce greenhouse gases.

A while ago, the federal government has ratified the Kyoto Protocol. So we have an obligation to reduce greenhouse gas emissions.

Do you agree with the polluter pays principle? Considering that fossil fuels are more polluting, should we put a fiscal penalty on those who produce these fuels, in order to give more support to ecologically friendly and durable energy sources?

[English]

Mr. Mark Rudolph: I think the best way to answer that is that our coalition is made up of a range of different groups. The “polluter pay” principle is one matter; promoting green power is another matter.

To that end, we have always felt that there is a gap between the cost of green power and the cost of conventional power, and what we have done as a coalition is try to influence the federal government, as well as provincial governments, to help decrease that gap. If governments, from a public policy point of view, want to do something to decrease this gap, which relates to some of the matters you spoke about, vis-à-vis the polluter pay principle, so be it. We have been focused almost exclusively at the federal level on incentives that help decrease the cost gap between current costs of promoting green power, as defined by the EcoLogo definition of Environment Canada, and conventional costs.

Mr. John Keating: May I add to that?

Canadians want to see investment in renewable energy, and you can get at this problem in one of two ways. You can identify polluting sources of energy and penalize those sources and somehow pass those costs along to the consuming public, or you can go to the other side and say, let's incent what we want. I think it's politically more acceptable to incent what we want rather than to penalize the traditional methods of generating electricity.

In today's *National Post*, an opinion poll by Ottawa's GPC Research was published that talks to that point exactly, basically saying that Canadians favour investment in renewable energy sources such as solar, wind, and hydro. It also says that 92% of Canadians are against importing electricity from the United States, 76% are against more coal-fired production, and 64% are against boosting nuclear power. We're not here advocating for or against those other groups. We're just suggesting that the incentive side of the equation to get what people want, which is more domestically produced renewable energy, is a good thing and should be supported.

[Translation]

Mr. Robert Bouchard: Thank you.

The Chair: Thank you Mr. Bouchard.

[English]

Next is Mr. Holland.

Mr. Mark Holland (Ajax—Pickering): Thank you.

I'll start with the Clean Air Renewable Energy Coalition. First of all, you have an impressive group of people associated with this initiative, and I can only imagine how difficult it is to bring them all together. I've talked to them; the riding I represent has the largest nuclear plant in Canada, so I know that on the issue of nuclear—on which you quite rightly stayed neutral, given who's on your board there—it's very difficult on energy issues to bring all the different groups together.

I know when we're talking about WPPI—which I think has been very positive and has really driven a lot of innovation—that we also need to do more on solar, and I've met representatives on that. I think it's extremely important. To address Mr. Penson's point with respect to why we should invest in this, I'll just give you a thought.

One of the things we have to try to do is help you achieve certain economies of scale and maturity in your industry. The reality is that the technologies you're up against are very mature. They have been there for a long time. If the cost-benefit ratio were the same, if you had had the same environmental impact as the rest, there would be no incentive for us to really drive on your maturity and for you to achieve economies of scale. I think that obviously, with the comments Mr. Graham made about the climate change that we're seeing, the essential nature of our taking action on our contribution to greenhouse gas emissions and other things is important.

I don't know if you want to comment on that. It wasn't a point you raised, but it's important for people to understand why there is a role specifically for government to play in this sector.

•(1500)

Mr. Mark Rudolph: I'm happy to make a very long story short.

The coalition was created approximately five years ago because there was this gap between the cost of producing green power and the cost of producing conventional power, and when one looked at a range of different factors—GHG emissions, clean air, other societal benefits, etc.—it made sense for that gap to be narrowed. We pulled together a range of different people, OPG included. As you noted, herding these 23 kittens together is something that's added to my grey hair, but in fact it's a group that cohesively has said we're going

to focus strictly on helping to reduce this gap and promote green power in Canada.

That's how, as this strange group of bedfellows, we are able to stay together—because we are laser-focused solely on advancing green power.

You brought in a commentary about the Kyoto Protocol. We don't have a position on the Kyoto Protocol. That group of 23 members is such that it would be very difficult to have a position on it, but we weren't created to have a position on the Kyoto Protocol; we were created to help reduce the gap in the cost of green power and advance the cause of green power in Canada. That's what we've been trying to do, and we've been laser-focused in doing it for the last five years.

Mr. Mark Holland: One of the things that came up, certainly in my work with OPG and their trying to develop some wind capacity, was the fact that there wasn't a lot of domestic production of a lot of these technologies. Basically, Europe is where it's been happening, and therefore if you wanted the best technology you had to go to Europe to buy it.

I haven't followed it in the last short while. How is this maturing, and where do we stand? Obviously if we're trying to create a renewable energy sector, we'd like the windmills, the solar panels, and the rest of the material to be manufactured here in Canada.

•(1505)

Mr. Mark Rudolph: Let me answer the big picture, and then I'll turn it over to John.

Part of our *raison d'être* in advancing this notion of having incentives, in essence, double and apply to 12,000 megawatts of power is that with the current state of WPPI and RPPI, the moneys allocated from last year's budget fundamentally will be committed by 2009, and yet there are these power production things that run for 10 years. By 2009 there won't be any incentives around. The reality is that we don't know that the gap will be small enough to then carry the industry on. By adding an extra five years, you create certainty in the marketplace. By creating certainty in the marketplace, you will get the potential for European investors to say, there's certainty in Canada and not in the U.S.; we need to service both markets; we're going to build a production facility in Canada. That's why we've added this extra component to, in essence, double the size: we want to create certainty for companies like John's, we want to create certainty in the environmental field, etc., but we also want to create a certainty-of-investment climate to attract manufacturers from Europe to place investment in Canada.

In the case of the U.S. and wind, the U.S. has this thing called the production tax credit, PTC. The production tax credit is renewed every two years, so you get certain people who all of a sudden will build a lot of wind because they're going to get this production tax credit. Then it dies and it has to be added on as a rider every two years, authorized by the U.S. Senate and Congress. European investors are saying, my God, we don't know where there is going to be money or not going to be money. That's why no European major wind company manufacturer has ever invested in the U.S.

In all honesty, what we'd like to do here is create the strategy to ensure that they invest in Canada and not the U.S. That's part of building an industry.

Mr. John Keating: I'd like to add to my colleague's comments. In fact I'd like to clarify as well, so that everybody is of the same understanding.

Mark suggested we'd like to double the incentive. What we're suggesting is that we double the timeframe to which the same incentive applies. It does double the dollar appropriation, but it applies then for a ten-year period, not a five-year period, of eligibility.

Also, I would echo Mark's comments with respect to the U.S. system of this production tax credit. It causes a rush for equipment, followed by this period of inactivity, because everybody is uncertain whether the U.S. Senate is going to renew the PTC for another period of time. We're into that rush period right now, because last year in December the U.S. renewed the PTC for two years. Right now, getting wind turbines is very difficult, as getting gas turbines was five years ago. We are trying to avoid that in Canada by having certainty in a long enough timeframe.

I would also like to mention to the committee that when we build a wind plant, we often source as much as we can within North America. The blades all are made in North America. We try to have the towers themselves made here in Canada. We're building a large wind plant in Ontario right now, and the towers are all being manufactured and delivered out of Quebec.

So it is happening, but it's very slow, and with the certainty of a ten-year timeframe, that investment from elsewhere is going to come to Canada and not the United States.

Mr. Mark Holland: That's a very important point.

I have one more question for you and then I'll have to go to the chair to see, because I have questions for everybody else, but I don't know how far I'll get.

I know you're going to cut me off, and that's fine; I have two minutes.

Let me get to this point first. This may be answered, and you can simply tell me if it is, in your composition: the reason you don't have an opinion—or I haven't heard you get involved—on issues such as ITER, the international project that was proposed in Clarington, which was on fusion, and trying to drive that and some of these longer-term technologies, including hydrogen. Obviously the number you're putting forward as a goal is 15% in 2020, when, if we're going to graduate from a carbon-based economy, we're obviously going to need to be looking beyond that and some of the

technologies that drive it. I didn't hear in your presentation either of those, and I know they're going to have to be very important.

What is your stand on some of those items, or do you not have a position?

Mr. John Keating: Our coalition is concerned with the current-day economics and putting hardware on the ground. That's what we do as a for-profit motivated public company: we like to put hardware on the ground. And it's not pure R and D that we're advocating for; we're attempting to move the technologies such as geothermal, wind power, run-of-the-river hydro, wood waste biomass, municipal biomass, landfill gas. Those are near-economic technologies, and we want to move them into the mainstream.

Mr. Mark Holland: So your specific focus is on near-term marketability. The only point I would add to this is that in about 2010 we're going to have commercially available hydrogen production as a source of energy, and if we're going to have that, we need to start developing infrastructure around it and start having a thought process around it.

That is a relatively near-term phenomenon, and certainly from a government perspective, we're going to need to be thinking about the infrastructure required for that and be dealing with you, because presumably that's going to be, when it becomes commercially viable, on the menu of items that you're trying to advocate for.

Mr. John Keating: Our menu really is involved with projects that are on the interconnected electricity system, not hydrogen for transportation purposes and other things that are near term.

Mr. Mark Rudolph: It's only basically utility-scale, EcoLogo-certified green power. Solar PV is not even really utility scale per se, it's more what they call distributed power. You put it on the roof of your home and it goes into your home, but that's the basics.

• (1510)

Mr. Mark Holland: Thank you.

Can I ask a last very quick question? Not to them? No?

Thank you.

The Chair: Thank you, Mr. Holland.

Ms. Ambrose.

Ms. Rona Ambrose (Edmonton—Spruce Grove, CPC): Thank you, Mr. Chair, and thank you to the presenters for being here today.

I'm going to sound like a broken record, because I'm going to pick up on the same point as my colleagues Mr. Holland and Mr. Penson made. My question is to Mr. Keating and to Mr. Rudolph.

You talked about how historically Canada has given to emerging technologies, and I find it interesting that you call what your group is doing emerging technology, only because I know you're dealing with a lot of advances lately.

But in Europe we've seen comparatively a lot of these things being used for years and years, and so I see Canada as being very far behind in the use of these technologies. I know that in Europe a lot of the cities and municipalities are energy independent now and they can feed into the grid or take out of the grid as they need to.

You were talking about the AECL, and it goes to the point Mr. Penson and Mr. Holland were talking about—about sustainability and commercial viability down the road. You're not asking for a great deal of investment, frankly, for the amount of time, because I was just noticing, in this article today, talk about the AECL costing at this point.... How much did you say we've been investing per year?

Mr. Mark Rudolph: Our numbers are approximately \$150 million per year. The parliamentary appropriation for AECL in 2003 was \$220 million.

Ms. Rona Ambrose: I know that just recently there was \$2.3 billion spent and another \$6.8 billion estimated to decommission nuclear plants here in Canada.

This is a fabulous presentation, by the way, because you talk about jobs and your recommendations are very detailed, but what kinds of numbers do you have to offer us in terms of sustainability and commercial viability? I'm looking for comparative models because we've seen.... I know Europe is investing quite a bit more; I think it's \$4.3 billion Europe has just announced to make a comparative investment to what you guys are talking about, and the U.S. also has announced something comparable.

Mr. Mark Rudolph: The key thing to remember in all of this is the fact that as you narrow the gap of price, these things become much more competitive with conventional fuels. They're cleaner overall; they create as many, if not more, jobs per kilowatt hour of electricity produced; and other than fundamentally some biomass that otherwise might be waste, the fuel cost is zero. That's sustainable in my mind.

Ms. Rona Ambrose: Do you have a projected timeframe where they would be subsidy free?

Mr. Mark Rudolph: The way this thing goes, if the incentive covers the 12,000 megawatts, then as John pointed out, you have a commitment period. You apply during what is now five years under the second phase of WPPI, and if you get your project, then you get paid per kilowatt hour, 1¢ per kilowatt hour, for a period of 10 years. So we're in essence saying that once those commitments run out, we want to run for another five years. That would take you basically to 2013, which is only about eight years away. At that point in time, we're hopeful that with the size of the industry, building the industry itself, and the economies of scale that will come about, you won't need any further incentives because the gap will have been reduced substantially.

Mr. John Keating: Can I add to that?

The wind power incentive provides between a 10% and a 15% additional revenue adjustment. It's a production payment made to the producer to bring it into the competitive realm.

It doesn't sound like a lot, but that's the gap today. It is projected that over a period of time, with rising fossil fuel prices—because we don't consume fossil fuels for the type of energy we're generating—

there will be a crossover. The way the program works today, you apply, you sign a contract with the federal government, and you get paid that incentive based on your production for a period of 10 years. Then it stops. Basically, it gets the hardware on the ground and gets the industry through this transition period whereby it's forecast to be an ongoing stand-alone industry by that time. The type of assets we build are long-term, sustainable assets, with very low operating costs because we don't purchase fossil fuel as an input.

So it is very sustainable, very long-term, and becoming more competitive with time.

Ms. Rona Ambrose: My colleague just raised an important point. In terms of the kinds of assets you deal with and equipment you deal with, are you happy with the capital cost write-off structure for your industry?

● (1515)

Mr. John Keating: With class 43.1? Yes, we are; it's very attractive.

Ms. Rona Ambrose: Thank you.

I have a question for the voluntary sector, for Ms. Lavoie in particular.

One of your recommendations is supporting the creation of a charity bank. You note that traditional banks have shown a reluctance to lend to the voluntary sector for two different reasons: lack of understanding and negative public relations. I wonder if you could talk a bit to the committee about what the challenges are for your sector in looking for lending. This would be quite a large initiative, and there are just two general comments. I wonder if you could be more specific for us.

Ms. Janet Lavoie: I think the presentation and the information we have received about the Vartana charity bank relate to issues raised, and they actually feed back into funding mechanisms.

Sometimes what charities are looking for is simply bridge funds. They've had a promise of funding from the federal government, and the funding will come in at some unknown date. But to hire the staff to get the program under way and support the clients who have been supported in previous years, they need bridge funding. A promissory or verbal note or commitment from a funder is not enough for a bank to say, "We will lend you the money".

The study we mentioned in our brief, the national survey of non-profit and voluntary organizations, really is symbolic, because it's one of the few pictures we have about the sector.

What we're beginning to understand is that the banking industry, the insurance industry, and other industries do not track information about the sector separately. They don't understand the risks involved in the sector. They have vague notions that it's a higher-risk sector, and yet they don't have any statistical tracking mechanisms to back that up. What then happens is that they shape their prices and their policies and their practice based on the notion that it's a high-risk sector.

What we're asking for, I believe, in the charity bank proposal is—and the charity bank certainly wouldn't replace all the relationships that occur with the current banking institutions—at least the initial piloting to understand how different loan agreements, and perhaps different services delivered in a different way, would be more appropriate for a sector that is under these funding mechanisms.

Does that begin to answer your question?

Ms. Rona Ambrose: Yes. I was just wondering if you could give specific examples of what kind of policy you would be looking for. Would it be lower interest, or longer-term loans, or what kind of specific challenges does your sector have that you don't find serviced by the traditional banking sector?

Ms. Pat Letizia: The charity bank initiative is pretty well established. There is a great deal of information available about it. We're a proponent of adding more resources to the sector but really can't speak with authority about the kind of policy they're looking for.

Ms. Janet Lavoie: But we could certainly get you that information.

Ms. Rona Ambrose: Thank you.

Do I have more time?

• (1520)

The Chair: Thirty seconds.

Ms. Rona Ambrose: I have a question to Mr. Carrick. Thank you for being here today, and for all the work you've done.

Because you obviously have extensive experience in the foreign aid field, I wanted to ask what the obstacle is to the government in giving the funding. They're asking for 0.7%. What are other countries doing, and what do you think the obstacle is for moving ahead on that?

Mr. Paul Carrick: Not many countries, but some countries, have actually achieved 0.7% of their GDP for international development—Sweden has, Denmark has, and the Netherlands has. I think the primary obstacle in moving towards that objective is a lack of political will. It has been expressed by people in positions of power within this country that it's not a realistic objective—that it might make sense if you're a nation like Denmark, but it doesn't necessarily make sense if you're a large industrialized country like Canada. It primarily relates to lack of will.

There has been a tone of late that would have Canada walking away from the commitments we made in September 2000 at the UN Millennium Declaration. That is why many of us within the international development community are encouraging Canada to honour that commitment. This whole campaign about the eradication of global poverty is a reminder to Canada that we have an obligation

as world citizens to work with the United Nations in perhaps making the millennium development goals a possibility.

The Chair: Thank you, Ms. Ambrose.

I have a couple of quick questions.

Mr. Carrick, since you've just answered the last one, do you know what 0.7% of GDP represents in terms of a dollar figure?

Mr. Paul Carrick: Currently Canada is contributing 0.29% and Canada's foreign aid package is about \$3 billion, so I believe 0.7% would take it up to the \$10 billion range.

The Chair: It's something like \$12 billion or \$13 billion. That's a lot of money.

How about the calculations we're making? For example, I know some loans to third world countries were absolved and are not part of the calculation. Do you want to have that included as part of the calculation, or do you just want it to be part of a development agency?

Mr. Paul Carrick: I'm sorry, could you repeat the question?

The Chair: When 0.7% of GDP is calculated, the money comes up to \$12 billion or \$13 billion. Are you looking at that as being direct money going to a development agency, or is it going to include all the other programs we support?

Mr. Paul Carrick: As you know, CIDA is a very large and complex entity. There are essentially three main divisions within CIDA. There's the multilateral division. The multilateral division is the arm of CIDA that gives money to the United Nations, to the World Bank, and to other international lending organizations. It is the arm of CIDA that has enjoyed growth over the last several years. As you know, Canada has been adding 8% annually to our foreign aid package ever since 2002, when the Prime Minister made that promise in Kananaskis. Most of that money is going to the United Nations, into the World Bank through the multilateral division of CIDA.

There is also a division of CIDA that has been called the bilateral program, through which Canada gives money directly to a developing world country. That is usually done in partnership with, but not exclusively with, Canadian for-profits.

Then there is a partnership branch of CIDA, which is primarily, not exclusively, where Canadian civil-society or not-for-profit organizations—

The Chair: No, the question is whether you want the all of the \$12 billion or \$13 billion that you want us to put toward the World Bank or third world countries to go through CIDA. Is that what you're looking at?

Mr. Paul Carrick: Yes.

The Chair: Where do you think we should get this additional money? Do we get it totally out of surplus and not pay down our debt? Do you have a priority you'd like to see? Does your organization have an idea of where to make up the difference?

Mr. Paul Carrick: There's a bit of a chicken-and-egg dilemma here. Canadians are not showing a great deal of interest in foreign aid. I'm suggesting that part of the reason is Canada is not spending enough money on foreign aid. The money Canada is spending on foreign aid is going directly to the United Nations, where Canadians have very little sense of it, Canadians are not involved with it, and recipients in the developing world do not identify the money as coming from Canada.

I'm trying to suggest to you that I would like to see additional moneys go through CIDA. I would like to see the allocations within CIDA change, and I'm suggesting to you that multilateral is drawing too generously from new moneys coming into the ODA envelope; it should be shared more equitably. The weak brother within CIDA is the partnership branch. The partnership branch is projected to even diminish next year, even in the face of new money coming into CIDA.

The Chair: Thank you.

Mr. Graham, for the Calgary Zoo, exactly where do you want the \$40 million to come from? Which department would you like to see it come from? I understand you wrote "Infrastructure", but I don't think it qualifies under infrastructure—correct me if I'm wrong—because we had the same type of request from the aquarium group in Vancouver. That seems to be the problem; there's no program.

• (1525)

Mr. Alex Graham: Yes, Mr. Chairman, the current definition of infrastructure is somewhat narrow, and zoos certainly are not in that definition.

I guess there are a number of factors that are important. In terms of infrastructure, first, I think it can be an infrastructure initiative because, simply, we can't do the programming, we can't do the research, we can't do the conservation initiatives, etc., that we need to have unless we have some infrastructure around it to make it happen. So while I recognize that the current definition is narrow, perhaps a look at a broadening of that definition might be worthwhile.

Secondly, over the course of this time we have approached Mr. Godfrey, of course, at Infrastructure; we have talked to Indian Affairs and Northern Development; we have talked to Environment, Mr. Dion. If you look at our project overall, it really touches across about six or seven different branches of the Canadian government, and it can be in a wide range of different initiatives that are in place within the Canadian government program structure.

The issue is that somebody has to have the will to make it happen. Our last major project was funded through WED. That was the channel in which the resources came to the Calgary Zoo. What department it came out of—

The Chair: It's Industry Canada.

Mr. Alex Graham: —I wasn't all that concerned about; it was whatever they chose. So here's an initiative where I think what we need to do is put some departments together to say, here's how we address the project, and yes, northern development will carry a certain portion, and environmental sustainability will carry a certain portion, etc., because it is so broad-reaching and cuts across so many sectors.

The Chair: I think that's where the challenge is, but I think that's what those development agencies are for. I know there's a zoo in Quebec that got money through the DEC. It's done through the regional development agencies, so I think that's where you'd probably have to go again.

Mr. Alex Graham: Certainly we've had conversations with WED, but we need the Government of Canada to commit the funds to put in there to make it happen.

The Chair: Okay. I have the same type of question for the Clean Air Renewable Energy Coalition, Mr. Keating and Mr. Rudolph. Where do you see the incentives coming through? Is it Natural Resources?

Is AECL right now not through Industry Canada?

Mr. Mark Rudolph: I think it might be through NRCan, but right now both the WPPI program and the RPPI program are run by NRCan, and obviously moneys were allocated to their budget, in the budget of 2001 for the original WPPI, and then in the budget of 2005 for the expanded WPPI and RPPI—the wind power production incentive and the renewable power production incentive. Far be it from me to tell where the Minister of Finance should take moneys from and put them to, but I would submit that they obviously found the moneys in this past year's budget for the next five years—

The Chair: But we need your help to tell us, because we're trying to voice your opinion.

Mr. Mark Rudolph: Well, they could very easily find them from the same sources. In theory, this is something that Industry Canada could be involved in when developing new industry. They've done similar allocations of money for Fuel Cells Canada and things of that nature.

The Chair: But is there room with the Environment Canada part of the climate change program?

Mr. Mark Rudolph: In theory, there's money out of the climate change envelope that could go in here, because there have been moneys allocated in the past to the climate change program that have not been spent or been allocated or spent well.

I'd like to think this is not just about climate change; this is about building a whole new industry for the country.

Mr. John Keating: May I add, Mr. Chairman, that it is also about security of supply. Again I'd add a reminder that this program we're asking for will continue the existing program beyond 2009, until 2013.

The Chair: Okay. Just to go over the numbers again, you're requesting that it's to replace the AECL?

Mr. Mark Rudolph: No, no, we didn't say a word about that. We were just making a comparable point.

The Chair: So you're looking at an investment of about \$150 million to \$200 million a year?

Mr. Mark Rudolph: About \$150 million per year.

The Chair: Okay, thank you.

It's tough for the members, as it is tough for the witnesses, because we have a wide variety of witnesses in various sectors with various interests and needs. We've had bigger panels, which has made it tougher, but anyway, thank you.

This is it for the Calgary leg of the tour. It was a pleasure. Thank you for having us here in this city. That's it. We'll see you guys in Saskatoon.

Thank you.

The meeting is adjourned.

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