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Chair

The Honourable Robert Nault

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• (1530)

[English]

The Chair (Hon. Robert Nault (Kenora, Lib.)): Colleagues, before we hear from the witnesses, perhaps I could take five minutes of your time to deal with some business.

You will find in your package the fifth report of our committee. I wanted to get that approved. We went through it this morning in subcommittee and got unanimous consent to submit it to you for your perusal. On behalf of the committee, I want to present to you the fifth report. Your subcommittee met this morning to consider the business of the committee and agreed to the following recommendations:

1. That a travel budget in the amount of \$147,484.90 to travel to Colombia and Guatemala, in relation to the studies on Women, Peace and Security and the Canadian Government's Countries of Focus for Bilateral Development Assistance, be adopted.
2. That the Committee hold meetings with witnesses in Ottawa on June 9th and potentially June 21st in relation to its proposed travel to Colombia and Guatemala.

In the package you will find a proposal for the witnesses. These witness lists are always subject to change. So we'd like to start with that.

3. That the Committee adopts the second option detailed in the document prepared by the Library of Parliament and entitled "Options for a Report on the Countries of Focus for Canada's Bilateral Development Assistance".

You may want to have a quick look at option number two.

4. That the News Release for the comprehensive review of the Special Economic Measures Act and the Freezing Assets of Corrupt Foreign Officials Act be agreed to.

This is to indicate to the general public that early this fall, once we're back as per the order of the House, we will review these two acts. There is an understanding that the acts need to be reviewed after five years of their implementation. Then we'll make recommendations to the House on their effectiveness.

Are there any questions relating to the report?

Yes, Garnett.

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): I understand that it takes a lot of money for a committee to travel. This is what I have been told. Can I get a bit of an understanding of what goes into a figure that large for a trip? It looks like 11 or 12 people will be going for a week. It seems pretty high.

The Chair: I can do it or the clerk can do it, if you like. This is pretty much standard from my own experience. It's done by the clerk and their officials. It's not done by us. This is a request for a travel

budget. It hasn't been approved, but I would see it as a standard process.

The only thing different from normal is the armoured vehicles in Guatemala. We may not need those. I have requested, however, that the committee not stay just in the cities but also travel into the countryside to see the projects and how they operate. This would necessitate that kind of security. Not having been there myself, I'm taking the advice of others who have been to Guatemala. The budget includes the flight costs, the hotel rooms, and the usual per diem. There is nothing untoward in that regard.

Are there any further questions? Hearing none, all those in favour of the full report?

Some hon. members: Agreed.

The Chair: Thank you very much for your indulgence. We're trying to get these things moving.

I want to thank the witnesses for putting up with that little sidetrack. We will have bells at 5:15 p.m. and the vote will be at 5:45 p.m. It's a 30-minute bell. We will be out of here I hope no later than 5:30, probably even a bit earlier, because it will take us a while to wander on up the road. We'll try to keep this moving.

Pursuant to Standing Order 108(2), we have a study of the government's countries of focus for bilateral development assistance.

We have with us today Hunter McGill from the McLeod Group; Denis Côté from the Association québécoise des organismes de coopération internationale; and by teleconference from Kampala, Uganda, we will have James Haga, vice-president, Engineers Without Borders Canada. We will hear from all three witnesses, starting at the top of the list.

Mr. McGill, you have the floor.

Mr. Hunter McGill (The McLeod Group): Thank you, Mr. Chairman.

Thank you to the members of the committee for this opportunity to speak with you this afternoon to provide the McLeod Group's views on your assessment of Canada's bilateral development assistance program.

The McLeod Group is made up of professionals with many years of experience in government, civil society, and academia, working across the fields of international development, diplomacy, and foreign policy. We work with others who value human rights, inclusion, equality, and sustainable development to advance Canadian policy and action on international co-operation and foreign affairs. We are not a program delivery organization. Some people have graced us with the title of “think tank”, whatever that means.

My own background includes a career at the Canadian International Development Agency and five years at the OECD development assistance committee, where I was in charge of peer reviews of member countries. I am currently a senior fellow at the School of International Development and Global Studies at the University of Ottawa.

The theme of my presentation today is that focus is not important, as some would argue, and that what really counts are other factors which do not, in our view, get enough attention.

The Canadian development co-operation program needs, first and foremost and in line with legislation, the Official Development Assistance Accountability Act of 2008 to be poverty focused. In its 2013 report, “Investments to End Poverty”, Development Initiatives, the international think tank, reported that in 43 countries development assistance was the largest single source of international finance.

This means that in those countries with populations totalling over 400 million, aid played a catalytic role and was the main external resource flow intended explicitly to promote development and welfare. Thus, in a world where there is a confusing array of financial flows, including royalties, remittances, foreign direct investment, civil society transfers, and development finance movements, development assistance still has a crucial role to play for a significant number of countries. In the countries I've just mentioned, and in many other countries, poverty remains deeply entrenched despite the reports that the number of people living in extreme poverty, that is, below \$1.25 U.S. a day, has dropped.

In making its selection of partner countries for its bilateral assistance program, Canada should commit to the long haul. Pick countries and stick with them. Don't lurch from one list of so-called focus countries to another every couple of years, as seems to have been the case for the last decade. If the push is for focus and it is irresistible, then focus on the poorest countries, the least developed countries. Don't shy away from countries that present challenges to development; those that have the label of “fragile state” or “donor orphan”.

By committing to long periods of co-operation, Canada will have the scope to build relationships and develop knowledge and expertise, which will help us work with the leaders of our partner countries and contribute to their strategies and programs—their strategies and programs. If difficult issues arise, perhaps with respect to human rights or democratic development, Canada will have the scope to openly and directly raise our concerns rather than arbitrarily suspend our aid amid a flurry of criticism.

It has been suggested in testimony, which I believe you have already received, that what we need is a generation-long attention span for our countries of focus. Predictability and reliability are also

very important, as is aid volume. Money talks, and you get what you pay for, but that is for another discussion.

In terms of managing Canada's development assistance, there is scope for much improvement. Rather than treating Canadian non-governmental organizations as contractors or service providers, Global Affairs Canada should treat them as proper partners in the relationship with developing countries. This applies also to multi-lateral agencies. Respect their multilateral character and work to enhance their capacity to deal with development challenges, which increasingly are multicultural and multi-country in nature and demand regional and global approaches. Make sure that we are supporting these institutions as much as supporting the programs they deliver.

● (1535)

I recommend that decision-making be accelerated. Canada has a reputation as being very slow to make up its mind and commit. The impression is that the aid administration in Canada is enmeshed in many, many rules and procedures in the paralysis by analysis which seems to influence decision-making.

Accept that development assistance involves risk and be prepared to encounter failure, but then make sure that we and our partners learn from that.

Properly pursue aid effectiveness and implement the international commitments that Canada signed on to in 2005 through the Paris Declaration on Aid Effectiveness. In 2012, in its review of Canada's development co-operation programs, the OECD development assistance committee observed that Canada had invented its own definition of aid effectiveness which seemed to the peers, who were the Netherlands and France, to be all about accountancy and efficiency rather than actual effectiveness.

Recognize that all three principal channels of development assistance, bilateral, multilateral, and civil society, contribute in their distinctive ways to progress in partnered developing countries.

Canada's aid strategy, which we very much look forward to seeing, should acknowledge this and explain the reasons that we support each channel and what we expect by way of outcomes. When results are being set for Canada's aid program, be very deliberate. Recognize that development co-operation is a partnership and that we accept that the achievement of outcomes and goals takes longer than we might hope, but that the sustainability cannot be rushed.

If among the themes chosen for our bilateral assistance is capacity development and support for democratic development, where we do have a certain expertise, we should commit, again for the long haul, but let's make sure that our engagement is needs driven, not just on the basis that it is what we are good at.

In conclusion, Mr. Chairman and committee members, the McLeod Group wishes you great success in your deliberations. We hope that you can help build a national political consensus on development co-operation. It is our hope also that your findings and recommendations will help move the Canadian development assistance program from charity to solidarity.

Thank you very much.

• (1540)

The Chair: Thank you, Mr. McGill.

Now we'll go to Monsieur Côté.

[*Translation*]

Mr. Denis Côté (Political Analyst, Association québécoise des organismes de coopération internationale): Thank you very much. I will do my presentation in French.

Thank you very much, esteemed members of the committee. On behalf of the Association québécoise des organismes de coopération internationale, Quebec's association of international cooperation organizations, AQOCI, I thank you for inviting us to testify this afternoon in the context of your study on Canada's countries of focus for bilateral development assistance.

AQOCI, which is celebrating its 40th anniversary this year, is a network that groups 68 international cooperation organizations based in 13 regions of Quebec, who work, both abroad and locally, to foster sustainable and humane development. Through the strength of its network, AQOCI dedicates itself to eradicating the causes of poverty and to the construction of a world based on the principles of justice, inclusion, equality and respect for human rights.

Before beginning my presentation, I would like to point out that AQOCI is also a member of the Canadian Council for International Cooperation, the CCIC, and that we support the recommendations Mr. Fraser Reilly-King, senior analyst at CCIC, presented to this committee on May 19.

In my presentation I am going to try to reply briefly, in order, to the four main questions that were submitted to us for this study.

The first question was whether Canada should focus its bilateral development assistance on a small number of countries and specific sectors. In fact, there does not seem to be a direct link between concentrating development aid on a small number of countries and sectors, and the effectiveness of the aid.

In an article published in 2005 on this topic, Mr. Lauchlan Munro concluded that although too great a dispersion of projects is not the right path either, there is no link, necessarily, between concentration and effectiveness. Rather, it is the proper selection and management of projects, among other things, that produces the best development results, and not necessarily the number of countries chosen.

This point of view was in fact also raised by The McLeod Group—I did not know they were represented here today—as well as by Stephen Brown, a University of Ottawa researcher, in 2015.

Now, that does not mean that we need to completely abandon the idea of countries of focus or that we need to review the whole list. On the contrary, we think we must encourage and support long-term programs and projects, and foster the long-term relationships international cooperation organizations in Quebec and Canada have maintained in many countries in Africa, Latin America and Asia, including with developing countries in the Francophonie.

Development is a long-term process. It is counter-productive to frequently overhaul the list of countries involved and to expect too much from short-term projects. We think we need to encourage a program funding approach, with a five-year horizon, for instance, to

allow for the development of real partnerships and allow us to attain sustainable development objectives.

As for concentrating on specific sectors, we must remember that aid should be allocated to support priorities set by the poor and marginalized populations themselves. Although Canada may have expertise it wishes to share in various sectors, Canadian aid has to be aligned with the democratically determined priorities of the populations of the developing countries. These must not be imposed on them by the donor countries.

That said, AQOCI thinks it is very important to promote equality between women and men, and to advocate for and defend women's rights. If new thematic priorities are established for Canadian aid, we think it is essential that gender equality be on that list.

As for the criteria Canada should use in choosing countries where we intervene, we could suggest a few, such as the following: aid must contribute to reducing poverty and inequalities; it must focus on the poorest and most marginalized, so as to leave no one behind; it must respond to the needs expressed by the poor and marginalized populations themselves; it should promote human rights; it must be predictable, and we should aim for medium and long-term horizons.

The second question concerned the effectiveness of the countries of focus model. As mentioned previously, analyses seem to demonstrate that there is no direct link between countries of focus and the effectiveness of the aid. We do not have a specific figure to suggest as to the proportion of development aid that Canada should grant to the chosen countries. However, the 90% figure for aid to be granted to 25 countries seems like too high a proportion to us. Canada's bilateral aid has to maintain more flexibility and nimbleness, so that we can respond to changes and situations that evolve rapidly in countries that are not on the list.

• (1545)

The third question asked how Canada's international aid should take into account the situation of the least developed countries, the countries with middle incomes in the lower bracket, as well as fragile states in conflict situations.

International aid should target the poorest and most marginalized countries. In that context, particular attention has to be paid to the least developed countries, and fragile states. Objective 17 of the 2030 Agenda for Sustainable Development, which discusses the means to put in place the world partnership for sustainable development, proposes that developed countries such as Canada devote between 0.15% and 0.20% of their GDP to helping the least advanced countries. As a supporter of the 2030 Agenda for Sustainable Development, Canada should reach that target.

However, persons living in poverty are not all in least developed countries. As the CCIC mentioned in its presentation before this committee, we estimate that the majority of persons experiencing poverty live in moderate income countries and that in those countries the inequalities are getting progressively worse. And consequently, some Canadian aid must be allocated also to programs and projects in those countries. However, the choice of countries must be made on the basis of an analysis of the needs of the poorest and most marginalized populations in those countries, and not as a function of Canadian commercial interests.

The fourth and last question was about how Canada can line up its bilateral aid programs with its commitment to support the implementation of the United Nations 2030 Agenda for Sustainable Development.

Objective 17 of the 2030 Agenda for Sustainable Development, which I referred to earlier, points out that developed countries must honour all of the commitments made regarding official development assistance, particularly the commitment made by many of them to allocate 0.7% of their GDP to aid for developing countries. That is one way for Canada to support the implementation of sustainable development goals, or SDGs—through a substantial, gradual, predictable increase in its level of development assistance until it reaches the target of 0.7%

One of the main objectives of this program is also to leave no one behind. By putting the emphasis on the poorest and most marginalized people, Canadian aid will also contribute to the attainment of the SDGs.

However, in order to implement this ambitious program, we will need commitments that go far beyond official development aid.

Canadian policies will also have to be more consistent, particularly when it comes to international development policies and trade policies. Currently, several trade and investment agreements are strengthening the power of large Canadian enterprises at the expense of the poorest populations in developing countries, rather than helping those populations to get out of poverty and assert their rights. To achieve those sustainable development objectives, we need to revise the free trade and investment agreement model, tackle tax evasion and tax avoidance, and ensure that our international aid policies are consistent with development objectives rather than commercial ones.

In conclusion, some of the best researchers and analysts in development assistance in Canada maintain that there is no direct link between choosing countries of focus and the effectiveness of our aid. Devoting 90% of bilateral aid to a list of countries of focus seems like too much to us, because such a high concentration will hinder the flexibility and nimbleness of the assistance, and our capacity to respond to changing needs on the ground.

However, dispersing the aid too widely also does not lead to effectiveness. In the final analysis, the exact number of countries of focus is not really that important. The important thing is to find the right balance between consistent and predictable support for long-term partnerships on the one hand, and maintaining enough flexibility to be able to adapt to changing needs in the field, on the other.

Thank you very much.

• (1550)

The Chair: Thank you, Mr. Côté.

[English]

I'll now go to Engineers Without Borders Canada. Mr. Haga is on teleconference out of Kampala. I understand we'll hear him and not see him.

Mr. Haga, do you hear us?

Mr. James Haga (Vice-President, Engineers Without Borders Canada): Yes. I hope everyone there can hear me okay.

The Chair: Yes, we can hear you loud and clear.

The floor is yours.

Mr. James Haga: Okay, beautiful.

Thanks very much for inviting me on behalf of Engineers Without Borders and making it possible for me to join from Kampala.

As you all know, my name is James Haga, and I serve as the vice-president of strategy and investment at Engineers Without Borders. EWB is a Canadian NGO that provides seed funding, talent, and mentorship to social enterprises throughout sub-Saharan Africa.

I'm going to focus my comments on four points. First, what can aid do? Second, where should Canadian aid go? Third, how should we spend Canadian aid? Fourth, beyond aid, what else can Canada do?

First, I want to make the very obvious point that aid is only one of the tools that can contribute to development. Obviously there are many other equally or arguably more important factors beyond aid. These include a thriving private sector, addressing illicit financial flows through tax reform and co-operation, and dealing with things like global public goods such as climate change. Obviously aid is not a silver bullet and is not able to address all issues that drive sustainable development.

That being said, what can aid do?

Despite having given aid for many decades, there is very little evidence that aid, taken as a whole, promotes economic growth in poor countries. Instead, it's better to think of aid as a tool designed to provide people with basic human dignity and to meet their immediate needs. Critically, aid can limit inequality as the conditions for growth take shape, making balanced economic growth much more likely in the long run, rather than allowing economic growth to be captured by a concentrated elite. Frankly, living in Uganda, I see that play out day by day.

Aid can also be used as a tool to catalyze and mobilize other forms of capital and can be used effectively to take on risks in a targeted manner, to prove and derisk scalable solutions NGOs aren't structured to take on and that commercial enterprises don't have access to sufficient patient capital to test.

Second, where should Canadian aid go?

We should all recognize that it's going to take several decades for countries to have governments that have enough resources to deliver basic social services for their people. That is true here in Uganda as it is in many other countries throughout sub-Saharan Africa where we're working. While we should continue to be supported and encouraged by growing private flows in investment in many parts of the world, in the meantime, we should focus our aid, as others who are appearing before you today have said, on providing basic minimum standards for the poorest and most marginalized people, spending aid frankly where private money won't go. We think there is something unique and special about what concessional money can do to reach people who are otherwise largely unreachable.

The question of countries of focus for Canadian aid is, in my view, a second order question. More important is targeting the most vulnerable with our aid because we know that aid can make a difference to them and is well-suited to meet their needs. Despite the fact that there isn't a great deal or very much at all in the way of evidence that supports the fact that no countries that concentrate their aid in the narrow or geographical scope are more effective, it does lend to reasonable logic that economies of scale and a more focused approach makes sense for a country like Canada.

Certainly, choosing to have countries of focus doesn't seem like a terrific idea to us by any measure, and I would agree with my colleagues that how we choose those countries is what's most vital. Again, the most vulnerable countries and people who are struggling in the most severe states of poverty is where we would focus.

Still, despite having said that, the first order question that we think is most critical should focus on how much aid Canada as a country should give. We're saying that as an organization which for many years has advocated and spoken out about the cause of aid effectiveness and delivering best results for our money, but discussions of effectiveness alone can't detract from the importance of increasing the amount of aid that countries like Canada can offer.

• (1555)

I won't go into great detail on the statistics, but if you compare us to other OECD countries, we are not doing particularly glowingly on the merits of how much we give as a proportion of our GNI. We think that this needs to go up. If we don't start making increases to our aid budget soon, we won't get to count ourselves as leaders in the global development conversation. I would also point out it is not just about giving as much aid as is humanly possible because that is what other countries are doing and it is something that is within our strategic interest. As emerging economies continue to grow and become more active participants in world affairs, being a part of this conversation is really going to be a significant opportunity for our country to help shape the world that our kids and our grandkids will inherit. To be a leader and to be considered a leader, we have to be ambitious and inspire others to be ambitious in meeting their challenges head on.

The next point I want to make is about how we should spend Canadian aid. I am not going to comment specifically on which issues or sectors are best suited for Canada to invest in. I think there isn't necessarily a big case to be made for Canada having a unique position in any one sector. It is simply about mobilizing the resources and the most effective talent towards a given issue. We are

a smart enough country to be able to do that on any number of issues. Instead, more importantly, we would counsel that Canada pick a small number and stick to those for an extended period of time. In our view, having dozens and dozens of focus and sub-focus areas is akin to having no real priorities at all, despite the fact that they all merit attention. If the government can select a small number of areas, based on a simple and logical set of criteria, the impact of Canadian aid will have a much better chance of growing, along with a deeper understanding of the system dynamics we are working within as a country and as a government.

In practice, unfortunately, this means making tough decisions to stay out of certain areas. Undoubtedly, this will be politically hard to do, because NGOs similar to my own will hammer you and your colleagues and tell harrowing stories about the suffering people experience as a result of issue X, imploring the government to do something and to direct resources towards that issue. Obviously, we have a lot of sympathy for that, but we all know and can agree quite easily that making decisions like that is not the smartest way to go about doing things. We would really urge a bit of a hard line on making some calls around what we want to do and what we are not going to do. That is what coordination and having a level of focus are all about.

Similarly, we want to acknowledge that bilateral aid is likely overrepresented as a percentage of our total aid package. Changing this would have implications, of course: fewer aid initiatives bearing the Canadian flag, but more investment going into multilateral institutions, the best of which, but not all of which, are viewed as more efficient, less susceptible to political winds, and less likely to be captured by commercial interest.

In the absence of a lot of strong evidence to the contrary, one way to have a more harmonized and less duplicative system is to invest in these global institutions, and we would advise that. Ultimately, we should make it an evidence-based decision, a rational trade-off between multilateral and bilateral systems. If there is evidence that says one is better, we support going in that direction. Still, we think bilateral aid has an important role to play, and it is uniquely positioned to test new and innovative ideas, for instance, integrating outcome-based funding arrangements such as development impact bonds into the government's tool box. Additionally, by spending more money through multilaterals, Global Affairs Canada staff resources can be freed up to focus on other global development issues like tax co-operation, illicit flows, environmental issues, immigration, and trade policy. This is an area where the merger of CIDA with Foreign Affairs can bear some fruit, allowing development professionals to have an impact on development beyond the mechanism of just foreign aid.

I will move to my last point, which is about what Canada can do to advance the sustainable development goals beyond aid.

•(1600)

We know that in the coming months Canada will put into operation a development finance initiative, which is a private sector investment vehicle that is complementary to aid and aimed at fostering sustainable economic opportunities in challenging markets. Let's make sure we get this right. It's designed to reach its mandate by privileging high-leverage investments and by monitoring and measuring its social impact against the SDGs, a key part of how we move that forward.

Similarly there is an immense need to modernize the rules governing the non-profit and charitable sectors to enable and encourage more impact investment and revenue-generating activity, particularly in the seed stages of social enterprise development, which is an area we are on the leading edge of in Canada and internationally. About a year ago there was a report by the Monitor Group about the case for impact investing. It outlined the fact there are very few impact investors willing to assume the high risks and uncertain returns associated with investing in the earliest stage, socially impactful businesses in the developing world. J.P. Morgan has put out a study saying that only 9% of total impact investments under management are committed to seed and very early stage start-up businesses. We think that if Canada looked at changing the regulations around non-profit and charitable structures to enable to more impact investing, that very early stage could get much better service.

We agree with the recommendations made by the MaRS Centre for Impact Investing, that recommend a capital matching program to help foster more impact investment funds. This could take the form of a fund, capitalized by the government, which would co-invest with private investors and philanthropists in impact investment funds that require additional capital to close a funding round. This would also provide a proof point on the value, both social and economic, of impact investing. I think it is something that, if we're going to modernize and get our Canadian development agenda better, is a critical and innovative way to make some progress.

That's it for me. Thank you for listening.

The Chair: Thank you very much, Mr. Haga. We very much appreciate your time and commitment to be here. I think it's the evening where you are.

We're going to go right to questions, and we'll start with Mr. Allison.

Dean.

Mr. Dean Allison (Niagara West, CPC): Hi, James. Welcome. I realize it's about 11 o'clock there, so thanks for staying up past your bedtime.

Mr. James Haga: My pleasure.

Mr. Dean Allison: James, one of the things that has always impressed me about Engineers Without Borders is that you guys talk a lot about transparency. I know you were decisive in encouraging us to sign the International Aid Transparency Initiative in 2011. That's one of the things I like about what you guys do in terms of the whole transparency piece, but I think one of your latest initiatives is trying to get governments to be more self-sufficient. Is that not correct?

Mr. James Haga: Yes. We work with governments in the public sector and in the building class sector ecosystems across Africa. Part of what we've been working on for the past two and a half years is this idea of a development finance initiative, which the previous government committed to in the 2015 budget. This government seems to be ready to execute on that plan as well.

Mr. Dean Allison: Good. The reason I bring this up is that I think you guys address one of the issues. Whether it's vaccinations, health, child and mother mortality, or nutrition, these are all important pieces. Where I'm going with this is that we are talking about countries of focus. We've had academics here talking about looking at a more thematic approach in terms of where we go and what we talk about. One of the things you guys helped try to work on is the sustainability piece, right? Once again, we need to deal with nutrition. We need to deal with humanitarian aid, and all these things, but what happens once we've dealt with this? How do we help countries be sustainable?

Maybe you could talk a bit about what you guys do in terms of your thought process, and whether you think that part of the tool kit, as you talked about, should involve helping countries be sustainable through the economy, etc.

•(1605)

Mr. James Haga: I think there isn't a lot of evidence to suggest that aid programming is an effective way to change the way that, frankly, less than responsible governments make decisions about public policy and how they choose to govern. There are a lot of people, in our view, who try to overstress what aid can do and accomplish. They say that it can really reform the way that governments use their resources and build public capacity to support service delivery for their citizens and create a thriving economy.

Part of what I am trying to say in my few words here is that we don't actually think there's very much evidence to that point. That's not just my saying that. I spoke with people who are smarter than I am in advance of this presentation today to really discuss those ideas. At the same time, that's why we say really let's pinpoint aid and use those aid resources where they're most needed, and that is around addressing the most essential needs that people in poor countries have, and people who are experiencing poverty have.

If anything, that at least addresses the insecurity that those people are experiencing, whether it's food insecurity or it's otherwise today in their lives. At the same time, there's a massive burgeoning interest in what the private sector, for instance, can enable within these countries, whether that's internationally infused with private companies coming in from abroad.... Frankly, more importantly, it's about building strong ecosystems of business within these developing countries particularly at small and medium-sized levels, so that there is a strong foundation of entrepreneurs and people who are able to provide jobs. [*Inaudible—Editor*] in the first day in Kampala looking around at probably 150 mostly young men, probably below the age of 25, sitting idle in the middle of the day because they don't have any work.

We certainly try to take an approach that addresses the underlying issues of extreme poverty, and the fact is, we think that aid is really well positioned to address those, and at the same time we know that private capital can come in through investors, through companies, and that is going to be a big part of the development equation and solution in the long term. Both are important. That's why we take the position to advocate more for smart aid that addresses the needs of poor people and is a substantive aid agenda. Also, we take the point of talking about a development finance initiative that can really help to spur private sector growth in these countries.

Mr. Dean Allison: Thank you.

I don't have much time left for questions.

Mr. McGill, this is a quick follow-up. I know you weren't saying one way or another...countries of focus, and maybe more is better... Do you have any additional thoughts on the countries of focus versus a thematic approach which we've heard differently about from several witnesses around the table?

Mr. Hunter McGill: Certainly, I think we would encourage the energy to be spent on thematic or sectoral choices and appropriate funds. I very much like the remarks that Monsieur Côté was making. Have a few, but make sure that they really correspond to the needs of the partner countries we're working with, and that we are in a position to be properly responsive, and to be engaged over the long term, as I think James Hage would admit.

The predictability element, the reliability of Canada as a development co-operation partner, is in many ways as important as the theme or the sector that we're engaged with.

The Chair: Thank you.

We'll go to Mr. Sidhu, please.

Mr. Jati Sidhu (Mission—Matsqui—Fraser Canyon, Lib.): Thank you, Mr. Chairman.

Thank you to all three of you for coming in front of the committee.

My take on the policy side of it can be taken as a twofold question. Do you believe our international assistance policy should be or could be more aligned with Canadian interest in terms of trade, international development, and foreign affairs? The second part would be, how can Canadian development policy contribute to Canada's international policy more broadly?

Any one of you can jump at it.

• (1610)

Mr. Denis Côté: Could you repeat the first question? I missed the beginning of the first sentence.

Mr. Jati Sidhu: Do you believe that could be more aligned with Canadian interests in terms of trade and international development and foreign affairs?

[*Translation*]

Mr. Denis Côté: It's difficult. When CIDA and Foreign Affairs were fused, I worked for the Canadian Council for International Cooperation. A lot of people were opposed to the fusion. We felt that it depended on the end purpose of this fusion. If the purpose of these three entities was to pursue Canada's commercial interests, that

fusion did not seem like a good idea to us. However, if their goal was to pursue development objectives, that was another story.

I know that it is still new. It has only been a few years since the three services were brought together. I know it is difficult to mix commercial interests and development objectives. I don't have any specific suggestions to make about that. However, we would like to ensure that the signature of trade agreements does not adversely affect the development objectives we have set for those same countries.

[*English*]

Mr. Jati Sidhu: Mr. McGill.

Mr. Hunter McGill: When you're thinking about Canadian interests, I think it is important to cast them at the proper level. Canada depends a great deal on global peace, security, stability, and prosperity. If we can align our development co-operation activities in that way, then I would say yes, we should be thinking about those interests. However, they are also interests that apply equally to our partnered developing countries.

If we want to get a bit more specific about that, and you mentioned trade terms, I don't think that's appropriate. There are other vehicles in place and being considered that can support Canada's international trade objectives and that are much more appropriate for those purposes.

As we look at the issue of Canadian interests, perhaps we should think about Alexis de Tocqueville's comments back in 1838 when he talked about self-interest properly understood. That is where you think at a global level about how our interests are best served by contributing.

Mr. Côté spoke about global public goods. We think about how we contribute to the promotion of those global public goods because they are in our interests as well as being in the interests of partnered developing countries. If you pushed me a little further on it, that would be the route that I would go. We have other tools at our disposal in Canada to advance our trade interests and our other economic interests. In respect of these global public goods, these macro-level interests properly understood, a development co-operation program has to think much more globally and, dare I say it, much more altruistically, than in a rather narrow sense.

I hope I am not misrepresenting his position, but Mr. Côté used a term that I wish I had spoken about as well, and that is policy coherence for development. That means making sure that our national policies take into consideration the concerns and interests of developing countries. When we develop our trade policies, when we go into these mammoth multi-stakeholder trade negotiations like the TPP, when we look at our international investment policies, when we look at our international migration policies, we must always hold them up to the light and examine them carefully with respect to what kind of impact they are going to have on developing countries.

It doesn't make sense for us on the one hand to channel funds through our development co-operation program, and on the other hand adopt national policies and implement programs that in effect cancel the value of those development co-operation investments. It's a very rigorous exercise. It's not at all a comfortable exercise, particularly at the political level, because it can involve some very difficult choices.

In my experience at the OECD, when I did a peer review of Sweden in 2006, the Swedish government in the previous year had implemented what it called a policy for global development. This was a program of policy coherence for development. It meant that every ministry as they brought macro-level policy proposals to the cabinet had to show that they had properly screened them for their potential impact on developing countries, as well as their impact on domestic issues in Sweden.

The Swedes admitted that doing this was both politically brave and practically difficult, but not something that they would back away from. They were committed to moving it through because they saw this as being in Sweden's interests. They wanted to ensure that Sweden's efforts in international development co-operation, which take into account development assistance as well as other measures, didn't bounce off one another and end in no real positive meaningful result.

•(1615)

It's a very significant thing, and I hope, Mr. Chairman, that your committee will at some point be able to engage with that because I think there are many of us in Canada who would appreciate very much the opportunity to take part in such a discussion about policy coherence for development.

I apologize to the member because he asked a fairly simple and innocuous question, and he got a rather longer answer than perhaps he expected.

The Chair: Thank you, Mr. McGill. It's good to get a thorough answer.

We'll go to Mr. Aubin.

[Translation]

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

I thank our guests for taking part in our meeting and sharing their expertise with us.

My first question is addressed to our three guests.

I would like you to give me a short answer, because in my opinion that is what the question requires.

I was surprised once again to hear Mr. Côté say that to his knowledge, there is no study demonstrating the effectiveness of the countries of focus approach. However, it is the very purpose of our study.

My question is very simple. Does one of you know a study, for instance from your international partners, that demonstrates the effectiveness of another approach, whether it be a thematic approach, or one that focuses on regional or geographic concentration? For my part, I note that we seem to have made an ideological or

philosophical choice that does not seem to produce specific results in terms of effectiveness.

Is there another approach that is backed by serious analysis?

Mr. Denis Côté: Unfortunately, I have not had the opportunity of doing that research. I don't know of any, but there may be people who have studied the question more in-depth.

Mr. Hunter McGill: Thank you for the question, Mr. Aubin.

Based on my experience at the OECD Development Assistance Committee, I can tell you that the topic never comes up, because there is no conclusive information on this. Among the member countries of that committee...

[English]

Mr. James Haga: I would jump in with—

Oh, sorry.

Mr. Hunter McGill: Go ahead, James.

Mr. James Haga: Thank you.

I would just jump in by saying, of course, that now [*Technical difficulty—Editor*] perhaps people have not really been paying enough attention to delving into the questions of whether or not this is truly something that can be aligned with a more effective approach. In fact, very little has been done to really address the question of the effectiveness of various aid programming around the world. Anyhow, that [*Technical difficulty—Editor*] gets at a kind of deep and substantive agreement on what effectiveness really does mean. I think it makes logical sense to think about some type of focus. To me that word comes to bear in thinking not only about countries of focus, but a commitment to stay the course and to do something over a period of time that is sustained so that you can actually learn something, so that you can not only understand the geopolitical dynamics of the country or a given sector, but you can be influential in that stage, and you can give your people on the ground an opportunity to actually develop [*Technical difficulty—Editor*]

•(1620)

The Chair: James, we're losing you.

[Translation]

Mr. Robert Aubin: Perhaps you could finish what you were saying, Mr. McGill, while we re-establish communication.

Mr. Hunter McGill: Yes. I simply wanted to add that among the member countries of the Development Assistance Committee, the DAC, there is Ireland, with 14 partner countries, Denmark, with 17 or 18 partner countries, Switzerland with more than 100 partner countries, and Sweden, with between 90 and 100 partners. The topic is never broached. The concern of the DAC is effectiveness. Whether we are present in 14 or 114 countries, the issue is whether we implement programs based on the needs of the partner countries.

Thank you.

Mr. Robert Aubin: The other thing I have heard often since we began this study is the importance of flexibility in our approach. However, the countries of focus approach we have right now concentrates the vast majority of funds on the countries that were chosen, which leaves very little room for flexibility. Even if the total financial envelope were increased, we would still be allocating 90% of the funds to the chosen countries. Rather than reviewing the list of countries, we should review those funding percentages so that we could have more flexibility.

The other element most stakeholders agree on is the length of the interventions. We hear about 5- or 10-year horizons, or a generation, as you said in your opening remarks.

How do we withdraw from a country of focus? We also have to ask ourselves that question. Even at the end of a generation, which is probably 10 or 15 years now, we know that everything is not going to be settled, that the situation will not be perfectly rosy, and that people will always ask us to continue.

So, what do we do to withdraw from a country and to give ourselves this leeway with our budgets, so that our international aid is more nimble?

You can all speak to the topic, including Mr. Haga, if he has returned.

In the meantime, go ahead, Mr. Côté.

Mr. Denis Côté: First, you asked whether we should review the percentage rather than the countries of focus in the region. In fact, I would say that both have to be reviewed. As I mentioned in my presentation, the 90% seems high to me. We have not done any studies to see what percentage would be more appropriate, but it seems to me that if we only have 10% left to respond to emergencies, that is not sufficient. Official development assistance is often asked to be reactive, but with a 10% margin of manoeuvre it will be difficult to react. There's work to be done to review both that percentage and the countries of focus. I think both can be done.

You asked how long interventions should last, and how we should withdraw. That is not an easy question. The ultimate objective of official development aid is to reach a point where the country no longer needs it. Ideally, we should withdraw when we realize that we have reached a certain level and that the aid is becoming less useful. In practice, I know that that is not always the case, but I have no other ideas to share on that.

The Chair: Thank you, Mr. Aubin.

[English]

I'll go now to Mr. Saini, the last member on the round.

Mr. Raj Saini (Kitchener Centre, Lib.): Thank you very much, all three of you, for participating. I have one general question for all three of you.

One of the criteria we've heard from most of the witnesses is to assess the capacity of a country to actually receive and use the aid. To me, this seems like a bit of an endless loop. You need to have capacity in order to receive the aid, but the country may not have the capacity to build without that aid. Can you please highlight how we might do proper capacity building and make sure the countries are able to receive, allocate, and use the aid effectively?

• (1625)

Mr. Hunter McGill: I'm a little nervous with the question.

Mr. Raj Saini: I was nervous asking it.

Mr. Hunter McGill: I don't think there are any general statements that one could make this afternoon that would be particularly useful to you. Each case is a particular case, and it has very much to do with the perception and the analysis of need, and the value of the role of an external player like Canada in a given partner country.

It suggests that perhaps, as I indicated, in a particular partner country, because of existing Commonwealth links or some similar links through La Francophonie, Canada could play a role in assisting with the development of democratic institutions and democratic processes in that country. If Canada could, say, go beyond just the national level in terms of elections and processes and go on to regional and even municipal political processes, which many experts are suggesting it is really becoming very important to do, this is an area where Canada might, through its dialogue with our partner country, reach an agreement on how we could be useful. There is a very clear need, as articulated by the partner country. As Monsieur Côté said, we could be part of the dialogue and we could draw upon our not insignificant expertise in this country. We complain a great deal about political process in this country, but it actually works quite well, and other countries do admire how we run our processes, and so this may be something that we could do.

That, in fact, would be an area where the capacity of the country to receive might be relatively limited initially, but through a very carefully formulated and phased-in program of assistance over 10 years, Canada could come to play a very useful role and could help contribute to the creation or the strengthening of what are essential building blocks for these countries, as they are in their own democratic process. However, it would very much have to be that country's own articulation of how it saw the assistance from Canada being most useful. By having a long-term engagement with that country, if there were hiccups, which there would inevitably be, then we would be in a position to have quite an open, direct, and honest dialogue with our partner and say, "Wait a minute. This isn't going the way it should or the way it could best go." We would be able to have that dialogue, rather than sort of saying, "Well, we've had cases of electoral corruption, so that's it; we're going to suspend the whole program". That really puts at risk the entire previous investment, and it really doesn't advance the understanding of your partner as to the depths of your concern and how rectification measures might be taken.

I apologize for spending quite a bit of time on the issue of democratic process and democratic development, but I've been influenced quite a lot by Donald Savoie's books on what government is good at, and Mariana Mazzucato's work on what government is good at. I'm linking these kinds of activities also to what James Hagan was saying in terms of how development assistance can help create appropriate conditions and a good enabling environment for other players, such as development finance institutions, such as some of the multilateral financial institutions like the International Finance Corporation, or the World Bank itself to come in and play their role. We get kind of a convergence and a collective effort. You're quite right to talk about the issue of there having to be careful, deliberate and sustained investment to build these capacities so that all of this happens and brings about the results that everyone hopes for.

• (1630)

Mr. James Hagan: I'll just weigh in, if everybody can hear me on that end.

I think the bar that we set for ourselves is that a government must have the capacity to manage and deal with all of this influx of donor money and aid money. If that was our bar, I think we wouldn't have very many partners with whom we could have a relationship of providing aid. I think that's the unfortunate reality of the sort of measure that I and others appearing today have spoken about in terms of being able to go and use it where it is directed at the most poor and marginalized. I think we have to get over a bit of the discomfort, frankly, of working within countries where there are less effective, or in other cases virtually ineffective, governments.

I want to also add a different angle to this question. There's a long-repeated story—I don't even know if it's true, but it definitely rings true in my experiences working throughout Africa for the past 10 years—of the Tanzanian finance minister saying that he would spend three days at each meeting with donor partners, and two days being the finance minister. Now, he was a very smart man and there are many smart public servant officials within the Tanzanian government, but the sheer level of confusion and mixed priorities among the myriad different countries and donors operating in any one different country at the time is, in and of itself, contributing toward an ineffectiveness, simply because the amount of hours and people time that is used up and sucked up trying to meet way too many competing demands that, frankly, don't have coherence, is a big part of the problem.

I think that's something which, as a country, we have to be the most catalytic, how we can be most effective in solving problems with our dollars. In a unique way, we should think about how we don't end up honing host country governments in a fundamentally different direction so that they end up trying to please their donors as opposed to implementing important development initiatives for the benefit of their citizens.

The Chair: Colleagues, that will have to do for today. The hour goes by way too quickly.

On behalf of the committee I want to thank Mr. McGill and Mr. Côté, and in particular Mr. Hagan for sticking with us until midnight. Some of us stayed until past midnight last night in the House of Commons, so it's always good fun.

One of the things I would suggest, because these are short discussions, is that based on our conversation if there are any other ideas or recommendations you want to make, please feel free to pass them on to us. I agree with you, Mr. McGill, this is a longer discussion we need to have. I think one of the things we may do as a committee, after the government puts forward its new program, is to revisit it and see how effective it is, because that would be helpful for us as well.

On behalf of the committee, thank you very much.

We'll suspend for a few minutes and get ready for our next presentation.

• (1630)

(Pause)

• (1635)

The Chair: Colleagues, I ask this meeting to come back to order.

Mr. Robinson and Mr. Benn, I invite you to please take your seats. It's always nice to see Mr. Robinson again. He and I were colleagues for a number of years, so it's a pleasure to have him here.

Colleagues, we're going to hear from the Global Fund to Fight AIDS, Tuberculosis and Malaria. As I said, Mr. Robinson and Mr. Benn will make the presentation on behalf of the Global Fund. I'm going to quickly turn this over to Mr. Benn so we can get into some good dialogue as well.

Welcome to the committee. It's always a pleasure to host you. The floor is yours.

Dr. Christoph Benn (Director, External Relations, Global Fund To Fight AIDS, Tuberculosis and Malaria): Thank you so much.

Honourable Chairman, Svend and I are really delighted to be here to speak to you today about the Global Fund to Fight AIDS, Tuberculosis and Malaria. It's a great pleasure. We've been doing that regularly over the years, but there is also a particular reason that we were very keen to speak to you this year. Many of you will have seen that a few weeks ago, on May 9, Prime Minister Trudeau announced that the Government of Canada would host the fifth replenishment conference of the Global Fund here in Canada in Montreal on September 16.

First of all, we want to express our deep gratitude to the Government of Canada. This is a great step, and we are absolutely excited about that. In any replenishment any organization does, probably the most important step is to find a host willing not just to organize the meeting, but also to support that organization politically to reach out to other countries, and that's exactly what the Government of Canada is doing.

We just had the G7 Summit in Japan, and we were pleased that in the declaration all the G7 leaders called for full support for the fifth replenishment of the Global Fund. Clearly, Prime Minister Trudeau and his whole team have played a very critical role in that. We are very grateful also to Minister Bibeau, who not only attended our preparatory conference in Tokyo, but already has been reaching out at many different opportunities to speak to other governments about the Global Fund.

We had a great event just last week at the World Health Assembly in Geneva, where Minister Bibeau made two other significant announcements. We also want to emphasize the theme of innovation in this replenishment. One of the key innovations that the Global Fund has developed is an online procurement platform that will revolutionize how countries can procure and purchase commodities.

The Global Fund spends about half its resources, that is about \$2 billion per year, helping countries to procure and purchase drugs and mosquito nets to prevent malaria, and other commodities, and now they have an opportunity to do that online, which is much more transparent and direct. It is cost effective. It will save up to \$250 million over the next few years and will also significantly cut down the time from placing an order to receiving the commodities. Canada has kindly agreed to support this initiative with an additional contribution.

At the same event, Minister Bibeau also announced that they would support the Stop TB Partnership, which is not part of the Global Fund, but it's an essential partner to promote the fight against tuberculosis in the world, and Canada would support that partnership with an additional \$85 million, which is a great step.

I would also like to recognize the long-standing advocacy of vice-chair Dean Allison for tuberculosis, because if you look at the three diseases that the Global Fund is carrying, AIDS, tuberculosis, and malaria, tuberculosis may be the most neglected among the three, but by no means less important than the others. TB is now the infectious disease with the highest mortality rate in the world, with increasing resistance.

This joint effort is very much welcomed, that Canada joins not just the Global Fund, but also the specific fight against tuberculosis, one of the most important infectious diseases.

There are many reasons why we want to express our deep appreciation for Canada's leadership on global health, tuberculosis, AIDS, and malaria, but then also for the replenishment conference that the government will be hosting here. Prime Minister Trudeau also announced at the same time that Canada would increase its contribution to the fifth replenishment of the Global Fund by 20%.

We thought you might need to know about this Global Fund to Fight AIDS, Tuberculosis and Malaria that Canada is supporting so strongly. It's not just since this announcement that Canada has been supporting the Global Fund very strongly. Over the years Canada has been a key supporter, involved in the creation of the Global Fund. It has supported the Global Fund over all the replenishments, and through all the various governments there has always been multi-party support in Canada for the Global Fund. We deeply appreciate that. This is an issue that many of your colleagues in Parliament and in the government have supported over time, and we're very grateful for that.

• (1640)

I'll say just a few words so that you understand what this organization is that Canada is investing in, and what we expect as we move toward this big conference in September in Montreal.

The Global Fund has been created by all the member states of the UN, by the G7, and by other bodies to help low-income and middle-income countries to address the most dangerous infectious diseases

in the world: AIDS, tuberculosis, and malaria. You have to think of that as a pool of funding where governments from around the world, the private sector, private foundations, and wealthy individuals like Bill Gates and others put their money together so we can in a more effective and efficient way support countries that without this support would not be able to implement life-saving programs in their countries. We support them in prevention, care, and treatment, and it has had extraordinary results over the last 14 years since the Global Fund was created.

Infection rates from AIDS, tuberculosis, and malaria fortunately have gone down. That was part of the millennium development goals, and for the three diseases we can report between 30% and 50% reductions in mortality, and millions of people are receiving these life-saving treatments. We can say that by the end of this year, 22 million people will be alive because of this investment. It's a concrete outcome that is measurable, that is direct, that is concrete, and that the Global Fund manages as a public-private partnership without having country presence in a cost-effective way.

It's an instrument that has received support throughout the world. We are asking for \$13 billion for this fifth replenishment that Canada is hosting. You might say that is a lot of money, and there is no doubt that it is a lot of money, but fortunately, because of the support we have, we are confident it will be a great event. The largest donor has always been the United States of America, and they pay 33% of whatever money that others provide. That is generous support that amounts to more than \$4 billion for replenishment.

The European Commission has already made its commitment of a 27% increase, and at the G7 summit the Government of Japan committed \$800 million, which was an astonishing 45% increase in yen terms.

I hope you would feel, while Canada is hosting, there is great support and confidence that these countries have in the Global Fund, otherwise they wouldn't make these investments. We will work with the Government of Canada and others, and also with UN Secretary-General Ban Ki-Moon, who is the former chair of the Global Fund replenishments, to make sure many countries, but also corporations and foundations, will come to the event, and we'll be able to mobilize the \$13 billion.

With that, this would be an important step to implement one element of the sustainable development goals that the world agreed upon last year, namely, to end AIDS, tuberculosis, and malaria by 2030. You might say that's a very ambitious goal and it is, but it is possible and it is feasible. Never before would we have been able to say this is achievable, but because of the progress made, and because infection rates have already gone down so much, we say, yes, we can do that, but the next few years will be critical. It's not something that we can postpone, or that we can shift to 10 years from now.

The next few years will decide whether the world can come closer to that goal. That's why the replenishment conference hosted by the Canadian government will be so important for that. We're working hard to make that a full success, but we wanted to thank you as well as members of Parliament for your support, because without your support over all the years these successes would not have been possible. We wanted to make sure you're fully aware of this process and are engaged in this process.

We're happy to answer any questions you might have, so that you know what Canada is supporting here and what the world is investing in.

Thank you so much, Mr. Chairman.

•(1645)

The Chair: Thank you, Mr. Benn.

Mr. Robinson.

Mr. Svend Robinson (Senior Specialist, Parliamentary Affairs, Global Fund To Fight AIDS, Tuberculosis and Malaria): I am going to add a couple of very brief words, Mr. Chairman, first of all to say that it is a pleasure to be back in a committee with you as a former colleague over a number of years. I had the great privilege of serving as a member of Parliament for a little over 25 years, 15 of those years with the honour of serving on the foreign affairs committee. I have always thought it was the best, so congratulations to all of you for the opportunity to serve on the committee.

Christoph has told you a little bit about what the Global Fund is about. I have had the great privilege and honour of working with the fund and coordinating our engagement with parliamentarians around the world for almost eight years. When I meet with other members of Parliament, I use Canada as a role model of effective engagement across party lines on an issue that is about saving lives and promoting human rights and respect for people around the world.

As Christoph said, I really just want to take this opportunity to thank you. I think we have appeared a total of six times before this committee over the past few years. This will be my last opportunity to appear before the committee, as I am moving on from the Global Fund at the end of July.

It has seen the solid support of members of Parliament across party lines.

I see Dean Allison, who has been a great supporter, not just here in Canada but also working hard with the global TB caucus. There aren't a lot of votes in your constituencies for these issues; you are doing it because you believe in it passionately.

Peter, as a former minister himself, who is very supportive as well.

[*Translation*]

Robert, as you know, H el ene Laverdi ere has been present since the beginning with regard to the Global Fund to Fight AIDS, Tuberculosis and Malaria.

[*English*]

Of course, there are colleagues on this side of the House as well, and the wonderful announcement. My final engagement with the Global Fund will be in Montreal on September 16 at the replenishment conference that Canada will be hosting and, with a 20% increase, following in the steps of the predecessor government.

Mr. Chairman, it has been a great privilege to work with members across party lines. I want to thank you for your leadership and for this opportunity to share a few words about a pretty special organization globally that is saving lives and that Canada is playing a critical role in leading.

Thank you.

•(1650)

The Chair: Thank you, Mr. Robinson and Mr. Benn.

We have about 25 minutes for questions.

Mr. Allison and Mr. Kent, go ahead.

Hon. Peter Kent (Thornhill, CPC): Thank you very much, Mr. Chair.

Thank you, gentlemen, for your services. Thank you for a wonderfully effective fund in working to contain and perhaps one day eliminate AIDS, TB, and malaria.

I would like to broaden the discussion a little. We are told by Canada's National Advisory Committee on Immunization that in fact HPV is the greatest and most common sexually transmitted viral infection in the world today, and that approximately three out of four sexually active Canadians, three-quarters of the population, in effect, will be infected by HPV at some point in their life, in many cases with a minor manifestation, but for many more, for a large number of women, cervical cancer, and I have had a brush with the serious cancer that manifests in men.

In Canada we have, since the federal budget of 2009, jump-start funding across the provinces for HPV vaccinations for young girls, grade 7 and up. The provinces are acting on new advice from immunization experts around the world that boys should be immunized as well.

Is there any consideration that the Global Fund, given its effectiveness so far in countering the three original diseases, and given the new knowledge about HPV globally today, might consider broadening its immunization work?

Dr. Christoph Benn: That's an excellent question.

First, you're absolutely right. Human papillomavirus is very important globally, particularly because of the effect on women, as it increases the risk for cervical cancer. This vaccine is made available globally, which again is a huge development. Fortunately we don't have to do that, because our colleagues at the vaccine alliance, Gavi, are doing that.

That is indeed one of these new developments. In previous decades it would have taken a long time before you would have a new vaccine that would be made available not just in Canada but globally. That's exactly what has happened over the last decade or so. In this case, through Gavi's making this vaccine available globally and through the Global Fund, we can basically make all the latest drugs, whether for HIV, tuberculosis, or malaria, immediately available to those in greatest need. That is the big revolution, if you like, that had not been possible before.

Therefore, I'm happy to tell you that, yes, the vaccine is being made available. It is financed through our colleagues at Gavi, and it is complementing the investments of the Global Fund. That shows you there is a lot of progress in global health that was not possible just a couple of years ago.

Mr. Dean Allison: Dr. Benn and Mr. Robinson, it's great to have you guys back at the committee.

I only have a chance for one question, so it will be a very short one, and hopefully I'll get a very long answer. The chair won't cut you off.

I think of transparency, and the great things about your organization in terms of what you do. We come under pressure for the dollars we give to multilateral organizations, not knowing how they work and whether they are effective and transparent.

Would you talk to us very briefly about the thought process in terms of the importance of transparency for you in how you choose and work with a country all the way through the process of self-sufficiency? At some point you're hoping the governments of the day that you're helping will be able to move into something self-sustaining. Would you take us through the psychology of where the Global Fund is in terms of how they choose and get people to self-sufficiency?

• (1655)

Dr. Christoph Benn: I'm very happy to. Thank you so much for that question.

First, when the Global Fund was created, we made transparency one of the major principles that we wanted to implement in a new way. In that sense we've been quite radical in terms of transparency.

All the information is made public on our website about where and to which programs our money goes, the results achieved and, an important factor, where we find that things are not going well. It's quite unique. Actually, there is an international aid transparency index that many organizations report to. There was a report a couple of weeks ago, and the Global Fund, again, came out as one of the five most transparent organizations in development. We take that very seriously and not with any complacency, because we believe transparency is also a key to accountability. Unless there is transparency, you won't have accountability for how the money is being spent at the country level.

You have to report on what is happening with your money in positive terms and with the results. Also, when you find examples where there is mismanagement and so on, we make that public as well, because part of the accountability at the country level is that there have to be consequences. If money is misused, we ask for the

money back, and we are getting it back and we are reporting on that, as well.

Transparency, I think, is absolutely key for development finance. Also, the technologies we have in terms of what we can now make available digitally provide these opportunities to go as far as we can in terms of transparency.

The Chair: Thank you, colleagues.

Mr. Miller.

Mr. Marc Miller (Ville-Marie—Le Sud-Ouest—Île-des-Socurs, Lib.): Thank you, both.

First, Mr. Robinson, I want to thank you for your service. You've lasted longer than most of us will. Your principled stances on LGBT rights, medical assistance in dying, and the environment have inspired a great number of parliamentarians in this current wave and, I would venture to say, regardless of political affiliation.

Mr. Benn, we discussed this earlier at lunch, but I want to provide you with the opportunity to say this on the record. Again, TB is sort of the forgotten child and, in terms of spreadability, and in my mind, perhaps the most dangerous threat to eradicate, particularly given the challenges in implementing what we discussed of getting into prisons and getting awareness into poorer areas.

What are the challenges you face, whether they are eastern bloc countries or others in getting that implementation and getting the proper prophylactics or awareness into those areas of difficulty?

Just for the record, I want to say that the conference will be in my riding, so I would encourage you all to come. That's the one political point that I...

The Chair: Political announcement follows.

Dr. Christoph Benn: I'm really happy that you're all drawing attention to tuberculosis, because it has been around for such a long time that it doesn't have this sense of emergency, such as HIV/AIDS has had, or now all this talk about Ebola and Zika. Sometimes they forget the chronic emergencies that have happened for a long time, and TB is probably the most important of those.

TB is a disease that is affecting the poorest and the most vulnerable around the world. Now, who those poorest and most vulnerable are might differ from country to country. You mentioned, and we discussed it a little bit, the particular challenge of TB in prisons, but you know I also mentioned the particular challenge of TB in the mining industry. TB affects miners disproportionately because of their living and working conditions. TB is generally associated with how and where people live, and how and where people work. To address that you need to design specific programs.

We now have special programs for TB in the mining industry, particularly in southern Africa and in the communities in which the mines operate. We've also had some programs in many countries, particularly in eastern Europe and central Asia, for TB in the prisons. We call prisons the breeding ground for resistance, because it's particularly in prisons where people are poorly treated, often insufficiently or incorrectly treated, and that's exactly what leads to the very dangerous multi-drug resistant tuberculosis.

You can address that only if you support those countries and encourage them to invest particularly in health care in the prisons. It's possible, but it's a conscious decision, and often the government.... You will understand that prisoners are hardly constituents that matter for many politicians, but they matter when you want to address this disease.

We have a number of examples of where this has been addressed specifically through program support by the Global Fund, also in eastern Europe, also in the Russian Federation, because that is where you have the most dangerous forms of the multi-drug resistant tuberculosis.

● (1700)

Mr. Marc Miller: You stated that you're a funding agency, and I talked about implementation. What are the specific actions you take with more recalcitrant partners to get the message out?

Dr. Christoph Benn: I'll go a little bit more into how we operate.

The first innovation that the Global Fund created was that in any country that we support, we ask the country to create a country coordinating mechanism. That was quite unique. This means they have to create a roundtable by the government, but also the civil society and private sector have to come together and then decide on what the priorities are for the country and what the strategy will be, and they submit their proposal.

In some countries—not all—it's important to say it's not just the government, that it's a country mechanism. It's often the civil society that is working in these prisons and that is putting these issues on the table. We encourage them to do so. It doesn't mean that we want to overrule the government, if you like, but we are asking any country that is submitting a proposal to the Global Fund to come together in a coordinated fashion through these country coordinating mechanisms. That is exactly what has happened in Russia and in other countries.

It's through this mechanism, through this roundtable, that we receive the proposals for programs in prisons and in other particularly vulnerable settings.

The Chair: Thank you, Mr. Miller.

Mr. Aubin.

[*Translation*]

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

I want to thank both of you for being here with us this afternoon. I want to extend a very warm welcome to Mr. Robinson.

It's as though you made it to the National Hockey League while I was still in the minor leagues doing my homework, when you were a player.

In listening to you, I drew a parallel, and I would like you to tell me if it makes sense in terms of the study we are doing currently on countries of focus.

You are fighting a very long-term battle against three diseases in particular: AIDS, malaria and tuberculosis. At the Global Fund to Fight AIDS, Tuberculosis and Malaria, you must nevertheless have the necessary flexibility to respond to urgent requests such as the

recent Ebola outbreak, or Zika; we do not yet know everything about that one, such as how widespread or serious it could become.

With the budget you have at your disposal, how do you balance this long-term permanent work that produces results, and the leeway you need to react to epidemics that occur periodically?

[*English*]

Dr. Christoph Benn: I can start, and Svend, you may want to add to that.

In a sense, we at the Global Fund also had to struggle from the beginning with this kind of challenge between an emergency response and a sustainable, long-term response. When we started 15 years ago, HIV/AIDS was considered a global emergency that required a very urgent response, but at the same time, you have to respond in a way that is sustainable because, for example, as most of you will know, when you put somebody on treatment for HIV/AIDS, it's lifelong. It's very effective. The people have an almost normal life expectancy today with this treatment for AIDS, but they have to take the drugs every day.

You have to have a long-term perspective in that, and when the world is faced with new emergencies, such as Ebola, or now Zika, and so on, we don't have a direct mandate for that but what we did, for example, in west Africa was to provide those countries—Guinea, Sierra Leone, Liberia, for example—which were affected by that maximum flexibility through the funding of the Global Fund because many of the measures you have to put in place to contain and control an Ebola outbreak are very similar to what you need to do to contain AIDS or malaria. Actually, the major differential diagnosis for Ebola was malaria, so we were increasing our funding for the malaria control while also strengthening efforts enabling health professionals in those countries to take the required precautions for this disease.

We often have to balance that and also make sure that the work continues to focus on what is really the major infectious disease, if you look at the impact, and to keep a focus on that.

Svend, do you want to add to that?

● (1705)

Mr. Svend Robinson: I would just add that in addition to the three diseases, a very important priority for the global fund is strengthening health systems themselves. Obviously, it's important that we provide bed nets to help to prevent malaria, and provide ARVs for people who are living with HIV and so on, but increasingly, we're looking at ways to strengthen health systems themselves.

One of the exciting things that I was hearing from members of parliament in western Africa around the time of the Ebola epidemic was precisely that in terms of the infrastructure that had been put in place through Global Fund-supported programs, initially to support people who were living with HIV, TB, and so on, they were able to use those same resources and in many cases, the same health care workers, to then respond to Ebola very effectively, because they worked in the community, they worked in the villages. They had the respect of the people in the villages and the trust of the people in the villages.

I think increasingly we're hearing from our partners in countries in Africa and Asia and elsewhere that yes, we need to tackle these three pandemics, but at the same time we have to do more in terms of strengthening health systems themselves. In Ethiopia—and Dean, I know, was in Ethiopia—we've done a lot in terms of supporting primary health care centres, and while they do a lot on the pandemics, they also support people generally in communities.

I think more and more we're looking at that because it enables us, when there is an emergency, whether it's Zika or Ebola, to effectively target some of that training and those resources to those areas as well.

The Chair: Monsieur Aubin.

[Translation]

Mr. Robert Aubin: Given the success of the Global Fund to Fight AIDS, Tuberculosis and Malaria, I wondered if the 2030 Agenda for Sustainable Development objectives changed anything in your approach, or if they only changed the economic lever allowing you to ask each of the partners to be more generous.

[English]

Dr. Christoph Benn: No, it has changed also the approach somewhat. Obviously, the move from the MDGs to the SDGs has been very important for the Global Fund as for many other organizations. Fortunately, we were working at the same time on our new strategy that the board just approved a month ago for the next six years. We just approved a strategy in the SDG context, in the SDG era, that takes into account both how we can help countries to end AIDS, tuberculosis, and malaria—as we are mandated by the SDGs—and, as Svend said, now follow a specific objective of helping countries to build resilient and sustainable systems for health.

This has become one of the four pillars of the new Global Fund strategy and I think that's directly related to the request, if you like, from the SDGs and the different focus. We need to keep focused on what we've been doing quite successfully while we also help countries to build those systems and promote and protect human rights, which is another very important component of this new strategy, because without the kind of environment where human rights are respected, you cannot implement and run effective health programs.

The Chair: Thank you, Mr. Aubin.

Mr. Levitt.

Mr. Michael Levitt (York Centre, Lib.): Thank you, gentlemen, for being here and providing an update and illuminating us on the work of the fund. I have to say I was not fully aware of the depth of the work that's been done over the long term. To hear about past work as well as the commitment to the future is heartening. I'm proud to be a part of the government.

It will come as no surprise that gender issues have been a focus in this committee and in Parliament. In fact, the previous study we did was on women, peace and security. I want to go along that line. Does the fund conduct gender-based analysis in its decision-making processes to routinely analyze the gender dimensions of the three diseases under its mandate, and the public health responses to them?

• (1710)

Dr. Christoph Benn: I'm glad you raised that point because it is indeed very important.

The Global Fund has been doing gender analysis for many years. The board approved a gender equity policy in 2008, which is a long time ago. This is one of the elements that has received much more focus in the new strategy, and for a very good reason. These three diseases, but HIV in particular, have a huge gender focus. With respect to HIV, one particular area of concern is the extremely high infection rates we are still seeing, particularly in southern Africa, among young girls and women. They are affected quite disproportionately in comparison with young men. We know that unless we address that effectively, we will not be able to end HIV as an epidemic.

I mentioned TB and drug resistance as one of the challenges. With HIV, though, the challenge is clearly the very high infection rates among young women.

We now design, together with those countries and many other partners, and Canada is one of the key partners, programs that are able to directly address the needs of girls and young women. There is also a very clear link, by the way, to education. One of the most effective ways to prevent these infection rates is to provide education.

With every year you keep girls in school, particularly in secondary school, you see that the risk of HIV infection goes down. It is one of our absolute priorities, not only the focus on gender and specifically designed programs, but also the link between health and education because that is one of the ways to address that effectively.

Mr. Svend Robinson: If I could just add as well, in addition to the very high sero prevalence, particularly among adolescent girls in sub-Saharan Africa, there is another serious concern. That is the very high levels of HIV among certain concentrated populations, particularly men who have sex with men, gay men, and transsexual populations in some Asian countries. We see sero prevalence levels of 15% to 25%.

In many cases, in the countries we're talking about, populations are criminalized. This is the situation in Uganda and a number of other African countries. The Global Fund is literally the only source of funding for organizations in those countries that are working to counter the devastatingly high levels of HIV. Nigeria just passed some very repressive legislation, but the Global Fund has been able to work out an understanding with the government that this is a serious health issues, in addition to a human rights issue.

I was just in Vietnam with a group of Australian MPs. We met with people from the LGBT community who said the same thing, that this is the first time that they have actually had an opportunity to do peer education through programs that were supported by the Global Fund. Minister Bibeau was in Vietnam and had an opportunity to meet with some of those folks as well. That is another area, and you are absolutely right that the gender issue is critically important, but we also want to make sure that human rights are respected across the board.

The Chair: Mr. Fragiskatos.

Mr. Peter Fragiskatos (London North Centre, Lib.): Thank you, Chair.

My colleague Mr. Miller talked about his riding. Let me say that any time you want to have a conference in London, Ontario, let me know and we'll be glad to host you.

I note that global deaths from tuberculosis declined by 41% between 2000 and 2014, and yes, there is a continued need to be vigilant on that front. Malaria deaths dropped significantly between 2000 and 2014, by 48%. These are stunning figures.

Canadians, I think, would want to know what accounts for that success. Are there particular factors you would point to?

Dr. Christoph Benn: The simple answer is that over the last, I would say, 20 years, life-saving services have been made available to many of those populations and to many of them for the first time, because indeed tuberculosis and malaria are both diseases that have been there for a long time. I served as a medical doctor in Africa in the 1980s and 1990s when we didn't have even the simplest technology like bed nets, impregnated bed nets, or the means to diagnose and correctly treat tuberculosis and so on. That is certainly a factor, that it has been possible through a lot of international support, including from Canada, to make sure that these services can be provided even in poor countries and to marginalized populations. You're right. I think people should know that there are these huge successes internationally, because 40% reduction in TB and 48% in malaria are historical in terms of public health.

At the same time, and this leads me back to the event we're going to have here in Canada, we also want to make sure we address those whom we haven't reached yet, and often it's the more difficult to reach who are still to come. How do we make sure we get the remaining 50% or 60% of tuberculosis and malaria but also of HIV/AIDS?

You need to focus even more on the key affected populations, those Svend just talked about, those women and girls in the situations we talked about in southern Africa, and those in prisons, and you often also have to reach the remote communities in many countries. In a sense, we've reached the low-hanging fruit, if you like, with impressive results, but now we will go even further so that we can really reach the remaining 50% of those we haven't reached yet.

• (1715)

Mr. Peter Fragiskatos: Perhaps because we've been focusing on countries of focus, one of the issues that has arisen in that study is the debate between whether to support fragile states or whether to focus on middle-income countries. I note that in 2014, your new funding model called to support countries with high disease burdens and low resources. Typically, states with low resources are fragile states. Can you tell me more about how the global fund works with middle-income countries and how the new funding model of 2014 has impacts upon that?

Dr. Christoph Benn: We have actually a very interesting and important phenomenon worldwide. Most people suffering from HIV and tuberculosis are living in middle-income countries. Actually most poor people nowadays live in middle-income countries. It's a phenomenon. Therefore, yes we need to address the fragile states,

the low-income states, and we do so. We focus most of our resources on low-income and fragile states; there's no question about that.

It's also important to say, without addressing those affected by these three diseases in middle-income countries, that we will not end those diseases either. Some fragile states are actually formally middle-income states. Look at Nigeria, for example. Because of the oil wells, Nigeria is a middle-income country, but at the same time, it's not only one of the most fragile, but it is also home, for example, to 25% of the global malaria burden. Therefore, you cannot be too rigid, if you like, in your approach and say that we will finance only the low-income.... We would miss many of the populations affected by these diseases.

However, we differentiate, of course. Proportionately low-income fragile states receive more resources from the Global Fund than middle-income countries do. We have a very progressive co-investment policy, by the way. The higher the per capita income of the country, the more we expect that they will co-finance. Actually, we encourage all countries to increase their domestic budgets to co-finance with the Global Fund, but if you're a middle-income country, the expectation is much higher.

Not only do we provide this international funding but we hold them accountable also for increasing their own health budget. Only in that way can we make the program sustainable.

The Chair: Thank you, colleagues.

The bells have rung. I'm going to, with your permission, allow one more question.

As long as we have a good 20 minutes to get over to the House, we'll be good. We'll wrap up in five minutes.

We'll go to one last question by Mr. Allison and Mr. Genuis.

• (1720)

Mr. Dean Allison: I want to finish off what Peter started, what I asked before.

My first question was about how you work with countries that are moving up. You started with the co-escalation, but also the fact that because of the way you guys would set up, you were able to buy cheaper. I'll pass all those things on.

Could you quickly hit that again in terms of the economies of scale you guys get, and how you also work with these countries as they continue to grow but still need help?

Dr. Christoph Benn: First of all, we do use our market share, which is pretty large, to reduce prices and make those prices available to the countries that we serve, if you like. We have been able through procurement to reduce global prices, for example, for HIV drugs, by 25% over the last two years. That has cut in half almost the price we pay as the Global Fund, and that's a direct benefit for the countries, not only if they are supported by the Global Fund.

Second, we are working with countries on transitional plans, particularly, of course, middle-income countries. That means you must have a transition plan in place, because they cannot expect the Global Fund will fund them forever. They have to take over increasingly the costs, but they also need some time so that their ministries of finance can prepare for that. That's happening. We've phased out of a number of countries that can then finance the programs themselves. But you shouldn't stop overnight. You have to give them the chance to take that over. There's a whole kind of transition policy now that the Global Fund board has approved, with Canada's support actually, that I think helped to prepare for that phase. Fortunately, there are more and more countries whose per capita income is rising, and therefore they will take more responsibility for that. That enables us to focus even more on the fragile states that for some time to come will still need this international support.

Mr. Garnett Genuis: Thank you very much.

Mr. Robinson, I think you were a member of Parliament for almost as long as I've been alive.

I want to get your thoughts on the emerging strategies in terms of prevention of transmission of AIDS. What do you emphasize? What do you think is most effective? A lot of what I've read suggests that condoms are effective if used effectively, but there are significant issues with them actually being used effectively.

I'm curious about your thoughts on the prevention question.

Dr. Christoph Benn: Again, I think you're focusing mainly on HIV prevention. We'll leave the other two diseases aside for a minute.

Mr. Garnett Genuis: Yes.

Dr. Christoph Benn: For HIV you have to look very much country by country. It's not kind of just one prevention strategy. In some countries condoms might be very important or still be important, but it always has to be complemented by a number of other strategies as well. That can be male circumcision in a number of countries, and we are promoting that. You might know that male circumcision alone reduces the transmission rate by about one-third or more. We talked about prevention in young women. It might be

better education. There's not one answer. It depends very much on the situation.

Basically, what we say is there are very clear guidelines for prevention coming from our partners, WHO, UNAIDS, and others. That's what the countries put into their programs. We are not telling them how to do prevention. There are international standards. They need to be applied at the country level, and we follow basically the advice of the technical partners. They advise the countries, and we say we fund anything that is the international standard for prevention.

In most cases it will be a combination of different prevention approaches that will be successful.

Mr. Garnett Genuis: I have a very short question in the remaining time. How do those international standards interact with what may be local cultures or may be some discordance between local cultural ideas and those international standards? How do you operate in the midst of, perhaps, that discordance?

Dr. Christoph Benn: I could talk for a long time about that, because I used to work in Africa when one of the main prevention methods was to kind of engage with the cultural perceptions, particularly around sexuality, and so on, which you know is a big topic.

I would say that by now, I think most countries are able and willing to apply the international standards to that. You often have to translate it into the global context—there's no question about that—and only the countries themselves can do that. But I don't see as much discrepancy between what is internationally recommended and what countries put into practice, certainly not as much as there was 20 or 25 years ago.

• (1725)

The Chair: I'm going to have to wrap it up there because we have a very important vote this afternoon.

I want to thank the representatives of the Global Fund. We very much appreciate the opportunity to dialogue, and we'll do this again. Thank you.

The meeting is adjourned.

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