



Testimony of

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before

HOUSE OF COMMONS

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The Canadian Coalition for Democracies would like to thank the *Standing Committee on Foreign Affairs and International Development* for the opportunity to meet with you this morning as you undertake this major study of Canada's role in international support for democratic development around the globe.

Joining me today is David Harris, CCD's Senior Fellow for National Security and Clement Mugala, Founder and Director of Trace Aid. Both Mr. Harris and Mr. Mugala will be prepared to answer questions following our presentation.

Before I begin, allow me to tell you a bit about the Canadian Coalition for Democracies and Trace Aid.

Founded in 2003, the Canadian Coalition for Democracies (CCD) is a non-partisan, multi-ethnic, multi-religious organization of concerned Canadians dedicated to national security and the protection and promotion of democracy at home and abroad. CCD focuses on research, education and media publishing to build a greater understanding of the importance of national security and a pro-democracy foreign policy.

Clement Mugala is the Founder and Director of Trace Aid. He has worked in a number of countries in Africa as a senior executive in state companies, and has been a witness to different types of unethical business practices perpetuated by African bureaucrats, politicians, suppliers and contractors. To quote Mr. Mugala: "While in public the government gave an appearance of commitment to fighting corruption, in reality, these same politicians were at the forefront of looting the national treasuries and stashing the stolen money into the banks accounts of the developed countries."

While the Canadian Coalition for Democracies supports Canada's willingness to help those in genuine need around the world, we are concerned about the effectiveness of Canada's development assistance, and the lack of accountability to the Government of Canada, and the Canadian taxpayer whose money is being spent. ***CCD is also concerned about the refusal of CIDA to acknowledge deficiencies in its aid programs and its lack of willingness to demand accountability from governments that actively work against the interests of Canada and her democratic allies. Beyond our concerns of Canadian aid dollars being wasted as a result of corruption and poor management, we are even more concerned about those situations in which Canadian tax dollars may actually be used to promote hatred, incitement and violence, and to undermine Canadian interests.***

CCD is also concerned that CIDA, with a budget of over \$3.1 billion dollars¹ is not prepared to establish effective strategies for promoting good governance programs that encourage responsibility, accountability, and transparency, as well as the advancement of Canadian values of the rule of law, free media, independent judiciaries, open and accountable governments, gender equality, equal treatment and respect for minorities, religious freedom, and free and fair elections.

To address our concerns, let us look at a few examples.

¹ Treasury Board of Canada, 2005-2006 Departmental Performance Reports

Supporting Corrupt Governments:

According to the International Policy Statement released by the previous government, Canada was prepared to focus a majority of its financial assistance on 25 countries. These are the countries of CIDA's current aid programming. Of these nations, Freedom House² identified 19 as "dictatorships" or "unfree" nations. All 25 were identified as nations where corruption is rampant.

Not only did such facts fail to deter CIDA's investment in these countries, but little to no effort was made to oblige local governments and aid agencies to demonstrate that monies reached the intended recipients and produced the intended results.

This lack of accountability and transparency runs counter to the Government of Canada's recent commitment to accountable government, as expressed through the Federal Accountability Act. Not only is CIDA acting irresponsibly with regard to its programs, it is demonstrating a flagrant lack of respect for Canadian taxpayers and an indifference to the plight of the needy, both of which run contrary to the spirit and intention of government policy.

Supporting China

Last year, Canada provided approximately \$56 million dollars in foreign aid to China, a country with the world's largest army, a GDP over \$7 trillion, and 700 missiles aimed at peaceful, democratic Taiwan. A fair amount of foreign aid was directed to training Communist Chinese judges who rule in a communist system of state-controlled law. There can be no rational or reasonable excuse as to why Canada continues to train Chinese judges, knowing full well that:

- These state-appointed judges are, and can only be, responsible to Beijing first, and foremost;
- Rule of law does not exist for Chinese citizens or foreigners; and
- The Chinese government, through its courts, actively persecutes minorities such as Tibetans and Falan Gong practitioners. State-enforced punishment includes forced re-education, physical torture, imprisonment without fair trial, and execution for the purpose of for-profit organ harvesting.

It is useful to note that unlike China, democratic India has of late declined aid as the basis of its economic and social progress. India recognizes that strength and prosperity are a result of using foreign aid as a means to build essential infrastructure and institutions, not as a perpetual right that invariably leads to permanent dependency.

² Freedom House is an independent non-governmental organization that supports the expansion of freedom in the world. Freedom is possible only in democratic political systems in which the governments are accountable to their own people; the rule of law prevails; and freedoms of expression, association, belief and respect for the rights of minorities and women are guaranteed.

Arab-Palestinian Aid

Since 1993, Canada has provided over \$390 million to the Arab-Palestinians. CIDA's continuing investment from its limited resources into providing for Palestinian development is a textbook example of betraying hardworking Canadians. Over the past 14 years the return on Canadian aid to Palestinians has little to show in terms of gains for freedom and democracy. Sadly, our aid has done much more to promote a terrorist death cult and internecine warfare as various factions seek to out-do each other in hatred directed at Israel, the lone oasis of values Canadians cherish in a part of the world where those values are under siege.

Should Canadian tax dollars support President Mahmoud Abbas who governs under a charter that calls for the annihilation of Israel and whose armed faction, the al Aqsa Martyrs' Brigades, is designated as an illegal terrorist organization in Canada? Should Canadian tax dollars fund UNRWA whose connections to incitement and violence are well-documented?

Focused Developmental Aid

CIDA should draw upon the history of Canadian aid disbursement. This history indicates that wide and non-strategically focused aid disbursement has been inefficient, ineffective and provides little evidence that such provision of aid anywhere has broken the link between dependency and constraints on freedom and democracy.

Canadians generously contributed to the amount of \$425 million in emergency assistance and developmental funds for the Asian tsunami victims in 2004-05. To date Canadians cannot be provided with a clean audit of where and how these funds were distributed, and what measure of success followed as a result.

An example of focused and sustained aid would be to help Afghanistan recover from the war ravages to its people and society. CCD counsels that the Government of Canada, through CIDA make Afghanistan its top priority in the greater Middle East/South Asia region, complementing the sacrifices of our soldiers in the NATO/UN mission to Afghanistan.

Focused aid by CIDA for a few, carefully selected countries where our assistance can make the critical difference in breaking the vicious cycle of dependency and non-democratic rule would send the message that Canadian assistance is not untied. In other words, Canadian aids will flow to countries where people and government become committed to overcome poverty and build free and open societies. This will also meet our own accountability test, advance the cause of democracy, freedom, and hope for women and children who are often the first to suffer.

Conclusion:

In conclusion, CCD sees the work of this committee of Parliament to be extremely important. This is especially so, given the over \$3.1 billion managed annually by CIDA, and the Government of Canada's policies and statements about accountability and transparency.

We acknowledge that CIDA is implementing a new four-part agenda for aid effectiveness which includes: a strategic focus of aid programming; strengthened program delivery; effective use of the Agency's resources, including a strengthened field presence; and clear accountability for results.

However, this initiative does not satisfy the reasonable test of political, bureaucratic and parliamentary accountability required under the Federal Accountability Act.

All of which leads CCD to call on members of the Standing Committee to

1. Ensure that the House of Commons' Standing Committee on Foreign Affairs and International Development has the authority, as recommended by the Honourable Justice Gomery, to retain research personnel, legal and administrative staff and experts, as needed, to monitor the work of the department;
2. ***Ensure all aid provided by the government of Canada meets the accountability requirements of the Federal Accountability Act;***
3. Ensure that the Auditor General of Canada is able to follow the aid dollars and independently audit all recipients of aid, whether domestic or international, government or non-governmental;
4. ***Ensure that Canadian development assistance does not support corrupt governments, bureaucrats, or those who support, glorify, sponsor or promote terrorism;***
5. ***Ensure that recipient nations justify and obtain approval for aid from their parliaments before Canadian development assistance is released;***
6. Direct CIDA to take to heart the example being set by India as a democratic reformer and adopt in full measure the idea of Development as Freedom, based on India's experience, promoted by Amartya Sen, the Nobel prize winner in Economics;
7. ***Direct CIDA to support through NGOs that advance the strategic aims of development as freedom, transparency, accountability and direct Canadian development aid to be disbursed as an incentive to recipient countries to advance freedom; and***
8. Focus Canadian developmental aid to a few nations, such as Afghanistan, where we can make a valuable and effective contribution.

Thank you.

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