

CANADA'S THEMATIC PRIORITIES FOR INTERNATIONAL ASSISTANCE

STIMULATING SUSTAINABLE ECONOMIC GROWTH – \$762.16 million*



At a time when as many as 2.4 billion people worldwide are living on less than \$2 a day, evidence demonstrates that sustainable economic growth is critical to reducing poverty. In fact, countries in Asia, Africa, and Latin America have shown repeatedly that growing the economy is the best way to help people permanently lift themselves out of poverty.

Canada supports its developing-country partners by creating the conditions for strong and sustainable private-sector-led growth. The private sector drives sustainable economic growth and is essential to achieving meaningful development results that enable people to emerge from poverty. It creates jobs, generates tax revenues to fund essential public services, and produces the goods and services needed to improve people's quality of life. Through our efforts, the Government of Canada is helping countries transition from development partners to self-sustaining and prosperous trading partners that are able to provide for their own citizens.

For example, Canada is helping resource-rich countries to sustainably develop their extractive sectors by focusing on improving resource-governance capacity, supporting local economic development and diversification, and enabling communities to maximize benefits from extractive sector development. In doing so, Canada also seeks to advance international standards and guidelines, and promote best practices for improved performance by all actors involved in the extractive sector.

To support sustainable economic growth, Canada focuses its efforts on building economic foundations, growing businesses and investing in people. Together these priority areas establish the conditions for growth and ensure that women and men living in poverty can access new opportunities. The following sections highlight Canada's work on sustainable economic growth in 2013–2014.

BUILDING ECONOMIC FOUNDATIONS

Canada aims to strengthen the capacity of countries and regions in financial and economic management, improve their investment climate and trading capacity, and strengthen their ability to sustainably manage natural resources. Natural resources, particularly extractives, represent one of the fastest-growing economic sectors in many developing countries. In 2013–2014, as a result of Canadian support for managing natural resources more responsibly, significant progress has been achieved.

The year of this report, 2013–2014, marked the first year of operation for the Canadian International Institute for Extractive Industries and Development (CIEID), led by the University of British Columbia in collaboration with Simon Fraser University and École Polytechnique de Montréal. During the year, the CIEID supported Canada's international assistance priority of sustainable economic growth by delivering workshops on artisanal mining and economic diversification in Ecuador as well as mining policy framework discussions with government representatives and stakeholders from Peru, Tanzania, Mongolia, Colombia, Ecuador and Burkina Faso.

In Tanzania, Canada's funding is strengthening the monitoring and auditing capacity of the Tanzania Minerals Audit Agency, which contributed to the collection of \$43 million in tax royalties from mining operations between May and November 2013. By optimizing the collection of extractive sector revenues, the government is better able to reduce poverty and improve the services it provides to Tanzanians.

In Peru, DFATD's support helped to create more than 20 "dialogue spaces" that bring together various stakeholder groups to encourage dialogue and the peaceful resolution of conflicts related to natural resources, and to train almost 14,500 individuals—the majority of them public officials—on conflict early warning, resolution and mediation, on the *Law on Indigenous Prior Consultation*, and on reducing violence during social conflicts. Also, in Peru, Canada announced on May 22, 2013, a contribution of \$37 million for three natural resource governance projects aimed at improving the environmental management of mining and energy activities, promoting competitiveness and economic diversification in Peru's extractive regions, and strengthening natural resource management in key regions of Peru.

* Figures are preliminary. Final amounts will be published in the Statistical Report on International Assistance by the end of March 2015 on the DFATD website.