

# CANADA'S THEMATIC PRIORITIES FOR INTERNATIONAL ASSISTANCE

## STIMULATING SUSTAINABLE ECONOMIC GROWTH



Focusing on sustainable economic growth can generate the financial resources governments in developing countries need to invest in the well-being of their citizens, while building resilience to social, economic and environmental shocks. A dynamic, growing economy will increase revenue generation and create employment, leading to higher continued personal and household incomes that can benefit the most impoverished.

Canada announced the establishment of the Canada-Asia Trade and Investment for Growth Program (TRIGR). The program is designed to reduce poverty through sustainable economic growth using capacity building initiatives to increase trade and investment-related economic activity in Asia.

In 2014–2015, Canada's sustainable economic growth initiatives focused on: building economic foundations; growing businesses; and investing in people.

### Building Economic Foundations

Canada provided support to the governments of developing countries so they would be able to create the right conditions and implement the institutional frameworks needed to build foundations that promote investment, innovation and economic growth. Canada helped strengthen developing countries' ability to implement financial and economic management that is sound and transparent, and to establish public policies that encourage private investment and reduce corruption.

In 2014–2015, Finance Canada managed the provision of \$400 million in two low-interest concessional loans to help Ukrainians stabilize their economy and promote social development. The loans, provided under the Minister of Finance's authority under the *Bretton Woods and Related*

*Agreements Act*, were disbursed by Export Development Canada acting as the government's agent. Canada's support to Ukraine was provided as part of a broad package of international support, including from the International Monetary Fund, to restore the country's macroeconomic stability and promote robust growth over the medium term. Both loan agreements included accountability mechanisms to ensure that the funds are used in a manner consistent with Canadian development priorities.

Through the International Monetary Fund, Canada supported technical assistance activities to help countries build capacity in addressing public debt, balance of payments and financial sector crises. For example, in Suriname, the country's central bank is well on the way to adopting real-time gross settlement and automated clearing house systems for the country's payments system, and the accuracy, consistency and timeliness of data from the central bank have improved as a result. In Haiti, the architecture of the accounting function has been designed, and its establishment in government is ongoing. As well, Haiti's Ministry of Economy and Finance and central bank have endorsed the country's updated Treasury Single Account implementation strategy.

In 2014–2015, in Ghana, a more predictable and effective local tax and revenue generation system was developed and piloted in three local government districts. This resulted in the assessment and integration into the property tax system of 3,244 businesses and 18,157 residential properties, setting the stage for increased government revenues.

In Senegal, strengthening the Court of Auditors—the equivalent of the Office of the Auditor General of Canada—and the National Office for the Fight Against Fraud and Corruption (Office national de lutte contre la fraude et la corruption, OFNAC) helped the government of Senegal to fight corruption. The Court of Auditors is now able to handle cases more effectively and OFNAC will publish its first annual report, which is already gaining considerable attention from local media and civil society.

Despite recent progress, more than one quarter of Latin America's population lives in poverty. To address this challenge, the Graduation Program—a new collaboration between the International Development Research Centre (IDRC), the Colombia-based Fundación Capital, and the Ford Foundation—will help governments in the region assess, fine-tune and roll out successful approaches that help households "graduate" from poverty. The project will shed light on the cost effectiveness of new measures such as savings and financial literacy programs and livelihoods training.