

driven by the inventiveness and energy of people at the most local level, and enables northern residents to remain in their own communities. Canada supports the development of small business in the north, in accordance with the key principles of sustainability. Developing the small business sector poses significant challenges, though, including identifying external markets, high transportation costs, adaptation of technology to meet northern needs, capacity-building and small enterprise financing. All Arctic countries including Canada stand to benefit from sharing experience in the development of the small business sector.

### **Expansion of Circumpolar Trade**

Expanding circumpolar trade is a key challenge of sustainable development. For communities it offers a means of compensating for remoteness from southern markets and contributing to long-term economic viability. As a sector, though, it remains significantly underdeveloped, creating a need for co-operation. Among the challenges are helping northern enterprises to become more "export-ready," breaking down barriers to trade in renewable resources, improving transport and communications links, and expanding channels for market development. Canada has taken steps to expand trade in Aboriginal and other northern products, including incorporating such products into its International Business Strategy and Aboriginal Business Canada's "Aboriginal Trade and Market Expansion Initiatives." It recognizes, however, that circumpolar co-operation offers opportunities to advance common goals such as the removal of tariff and non-tariff barriers to northern products, and to explore farther-reaching possibilities such as regional free trade.

### **The Health and Well-Being of the Children and Youth of the Arctic**

It is with the Arctic's children and youth and with future generations particularly in mind that Canada and its circumpolar neighbours are working hard today to foster sustainable development in the north. Children and youth are the most vulnerable and most cherished members of any society; their welfare provides the most telling indicator of that society's health and vitality. The demographics of the Canadian Arctic underline the importance of this concern: today, approximately 50 percent of the population in Canada's north is below the age of 15 (a figure similar to that in other parts of the circumpolar region), so the steps taken over the next few years will have enormous consequences for the kind of north that will exist a generation from now. Canada believes that if communities across the Arctic are to be genuinely sustainable, the health and well-being of the north's children and youth must be a priority, and it will promote this objective through the Arctic Council's Sustainable Development Program.

### **Strengthening the Building Blocks of Sustainable Development**

For Canada to achieve its sustainable development objectives, a number of key building blocks will need strengthening, including capacity-building, transport and communications, and financing.