



Ten Things You should Know about Canada and the World Bank

- 1. Canada is a founding member of the World Bank Group and actively supports its development activities worldwide.** The World Bank benefits from having among its leading members a strong proponent of multilateralism. Enshrining that concept as the foundation of the international order has been a hallmark of Canada's foreign policy since 1945.
- 2. Canada has consistently been among the top 10 largest (in percentage terms) subscribers to the capital or contributors to replenishments of the funding base of each organization that comprises the World Bank Group.** In monetary terms, as of June 2003, Canada has – cumulatively over all the years of its membership – subscribed about US\$10.8 billion to the World Bank Group.
- 3. The World Bank leverages the diversity of Canada's aid program, which is spread across regions and increasingly focusing on those countries that have engaged in the Bank's Poverty Reduction Strategy Paper (PRSP) process.** In January 2003, the Canadian International Development Agency (CIDA) announced its intention to increase its aid investments, as resources become available, in a select number of priority sectors in nine low-income countries -- Bangladesh, Bolivia, Ethiopia, Ghana, Honduras, Mali, Mozambique, Senegal, and Tanzania. These countries have in place formal national plans for poverty reduction, in the form of full or interim PRSPs. Because of its interest across regions, Canada is highly responsive to the changing development needs in the world and its aid program is flexible and adaptable.
- 4. Canada is deeply involved in shaping the work of the World Bank.** Canada's Executive Director, who is equally responsible for the interests of Ireland and 11 other Commonwealth countries, represents the country at the Bank's Board. Canada engages in sustained bilateral discussions with the Bank on priority development issues and policy coordination through regular visits and exchanges between World Bank Group staff and government agencies, namely the Department of Foreign Affairs, the Department of International Trade, the Department of Finance, the Canadian International Development Agency. Over 200 Canadian nationals are employed at the Bank in professional fields as diverse as economics, agriculture, public administration, infrastructure, health and education.
- 5. Canada and the World Bank have broadly similar goals in aid policy and development and work to coordinate many of their activities.** The World Bank's work addresses many of the same themes as Canada's official development assistance program. Both Canada and the Bank have signed on to the Millennium Development Goals set forth by the United Nations. Canada actively supports the international community's efforts to promote sustainable development and fully endorses the global commitments for poverty reduction articulated in the World Bank's Comprehensive Development Framework.
- 6. With an expected GDP growth rate averaging 3.1 per cent in the 2005-08 period and a real growth rate averaging nearly 3 per cent during 1993-2000, Canada's economy has been leading the G7 industrialized countries in GDP growth. Its strong economy coupled with its great natural resources, skilled labor force, and modern capital plant makes Canada a model for development globally. Canada's success in balancing strong**

economic growth with investments in social services make the country a highly valuable development partner as the Bank pushes for increases in growth together with reductions in inequality.

- 7. The World Bank actively works to raise awareness of its work with a wide range of Canadians.** Many Canadian businesses, consultants and development professionals provide equipment, technical assistance and guidance to developing countries through World Bank operational projects, some of which are jointly implemented with Canada's aid agency. As well as the relevant government agencies, the World Bank engages with the academic community, the private sector, civil society organizations, the media, parliamentarians, youth organizations and other stakeholders in Canada to discuss approaches and obtain their inputs on strategies and programs to address development problems and move forward toward the achievement of the Millennium Development Goals.
- 8. Canada and the Bank share a strong belief that free trade is critical to foster economic growth and development.** In Canada, roughly one in three jobs depends on exports and approximately 40% of GDP is derived from trade. As a result, Canada has a keen interest in ensuring fair and stable trade rules. Canada has negotiated bilateral free trade agreements with Chile, Costa Rica, Israel and the United States and is part of the North American Free Trade Agreement along with the United States and Mexico. It is currently negotiating agreements with Singapore, the European Union, Central America and the Americas region as a whole. Canada has taken steps to help the world's least-developed countries to strengthen economic growth through trade by eliminating tariffs and quotas on most of their exports to Canada starting in 2003. Canada has also provided funding for trade-related technical assistance and capacity building through the World Trade Organization's Global Trust Fund. This funding supports specific commitments made to developing countries through the Doha Development Agenda, including enhancing the negotiating capacity of developing countries, as well as helping them to adjust to WTO rules and implement their WTO obligations.
- 9. Canada has been a partner with the Bank working to eliminate unsustainable debt in the world's poorest and most debt-burdened countries.** Canada is a leading voice within the Bank's governing councils on the implementation of the enhanced Heavily Indebted Poor Countries initiative, as well as at the policy discussions that led to establishing a closer link between the HIPC debt initiative and poverty reduction goals. As of January 2002, Canada had committed US\$114 million to the Enhanced HIPC Framework. In related actions, Canada stopped collecting bilateral debt repayments in January 2001 from HIPCs that were able to use debt relief savings productively and were developing PRSPs. In February 2002, Canada cancelled Tanzania's bilateral debt.
- 10. The World Bank and Canada share a concern for environmental sustainability.** In the case of the World Bank, this concern is an intrinsic part of its mission to fight poverty in developing countries. For Canada, environment is central to quality of life and figures prominently in its domestic and foreign policies. The theme of environment and sustainable development globally is one in which World Bank and Canadian concerns converge, leading to close collaboration in many specific aspects. Moreover, the World Bank and the Canadian Government each integrate environmental considerations into their respective project and program planning. All projects which they support financially are subjected to detailed environmental assessments which must be carried out according to stipulated policies and procedures.