

Procurement won by Canada in AfDB-funded projects has traditionally amounted to less than that won annually by Canada under World Bank-funded projects in Africa. The difference is primarily accounted for by the fact that World Bank lending volumes to African countries have been higher than those of the AfDB, particularly in recent years. Nonetheless, both banks are important sources of project finance for the region and companies should take an integrated approach to all IFI project opportunities in Africa by incorporating both institutions into their business development plans and strategies.

Canadian Technical Assistance Program: The Canadian government, through CIDA, established a consultant trust fund at the African Development Bank designed to provide the Bank and its borrowers with additional grant resources to finance technical assistance for the preparation of projects and other related work. Use of the fund, which is currently dormant, was tied primarily to the use of Canadian consultants. An objective of such programs is to try and involve more Canadians in the early stages of large multi-year development projects which can generate additional downstream business. At the time of this guide's preparation the fund was in the process of being renegotiated.

IV. AfDB Lending Operations - Trends and Future Prospects

Since its inception, the African Development Bank Group has committed loans and grants totalling over US \$30 billion² for more than 1900 projects, with high priority in its lending programme for projects in the agricultural and rural sectors, public utilities (energy, water/sanitation, telecommunications), industry (manufacturing, mining, development finance institutions) and, more recently, sustainable development of the environment. Within these sectors, the Bank's current *Five-Year Operational Programme* gives particular emphasis to rehabilitation and reconstruction, economic integration and trade, private sector development, and poverty alleviation.

While the majority of loans approved by the AfDB are earmarked for investment in projects, the Bank also makes policy-oriented structural and sectoral adjustment loans to help its developing member countries undertake national policy changes and institutional reforms needed to improve balance of payments and restore economic growth.

Annual lending commitments for new projects rose steadily throughout the eighties, reaching a high of US \$3.4 billion for 167 projects in 1991. As a result of declining capital resources and lengthy deliberations over an increase in the capital of the *African Development Bank* and a replenishment of the resources of the *African Development Fund*, annual lending levels have declined in recent years, amounting to US \$1.4 billion for 30 new projects in 1994 and less than US \$700 million in 1995.

² The African Development Bank Group uses an abstract currency for its accounting purposes known as the Unit of Account (UA) which is based on a gold measure. As of the end of 1995, 1 UA = CAN \$2.029 (US \$1.486). The UA is used for much internal documentation within the Bank.