

## Appendix A - Canadian Firms and Their Access to Private Sector Financing Sources in Africa

The following table of private sector financing sources for project development underlines the near-absence of readily accessible Canadian equity or equity support services. Without access to an operating Canada-based equity fund, the only access for project equity in emerging countries is through funds primarily designed for other countries' firms. These foreign firms are typically larger than Canadian firms normally interested in doing business in Africa.

By far the largest number of Canadian firms targeting Africa are SMEs. The table below demonstrates the low level of funding directed to SMEs, as well as the difficulties they face in developing and bringing projects to fruition through the sole use of existing sources. For the above reasons, developing Canadian sources of financing is necessary to achieve greater Canadian private sector participation in Africa.

While every effort has been made to ensure the accuracy of this information (as of March 2000), the financing environment changes quickly and this information should be used as a guide to further research.

<i>Name of Fund/Institution</i>	<i>Geographic Distribution</i>	<i>SME Access</i>	<i>Type of Services</i>
<b>Direct Project Financing by Regional Development Banks</b>			
Banque ouest-africaine de développement (BOAD)	Regional headquarters in Lomé, Togo, with national antennas in each member country	<i>Average</i> Loans in Communauté française de l'Afrique (CFA) francs only, which obviates foreign exchange risk.	Mid- to long-term loans, equity participation
Development Bank of Southern Africa	Headquartered in Johannesburg; considers projects in Southern Africa	<i>Very limited</i>	Mid- to long-term loans and equity participation
Preferential Trade Area (PTA) Bank (COMESA)	15 COMESA countries are members plus AfDB; based in Nairobi	N/A	Direct loans, equity (rare), and contingent liability financial facilities