

Canada responds to the G8 Africa Action Plan

Canada has committed \$6 billion over the next five years in new and existing official development assistance (ODA) for Africa. In the February 2003 federal budget, the government increased international assistance by \$1.4 billion over the next three years, in keeping with its objective of doubling the overall assistance budget by 2010. At least half of the increase will go to Africa.

On June 27, 2002, the last day of the Kananaskis G8 Summit, Prime Minister Jean Chrétien announced a major package of Canadian initiatives in support of the Africa Action Plan. These are to be financed through the \$500 million Canada Fund for Africa.

Canada's initiatives

Highlights of Canada's initiatives include

Fostering economic growth

- on Jan. 1, 2003, opening Canada's markets to African imports by eliminating tariffs and quotas on most imports from the 48 nations that the United Nations has termed Least Developed Countries, of which 34 (including Mozambique) are in Africa;
- encouraging private sector investment by creating a \$100 million African investment fund that will leverage private sector resources for investment projects, including infrastructure such as roads, water supply, and pipeline construction;
- committing \$20 million for three initiatives to increase Africa's trade capacity by promoting exports within and outside Africa and strengthening the role of African countries and institutions in multilateral trade negotiations;
- leading a trade mission to sub-Saharan Africa during 2002 to foster partnerships between African and Canadian companies;
- committing \$35 million for three initiatives to help bridge the digital divide by supporting African initiatives that expand the use and benefits of new information and communications technologies;