# Project Report
## Summary
## Trade and Investment Issues in Doing Business Between Canada and Africa

In February 2002, Canadian Manufacturers & Exporters (CME) submitted a proposal to the Canadian Centre for Foreign Policy Development (CPC) of the Department of Foreign Affairs and International Trade (DFAIT) to organize meetings in Toronto to discuss trade and investment issues in doing business between Canada and Africa. In late February 2002, CPC contracted CME to organize a one-day meeting to be held in Toronto on March 15, 2002. The objective of the meeting was "to discuss trade and investment issues in doing business between Canada and Africa leading to policy recommendations." The invitation to this meeting was sent to over 500 associations and companies. Fifty people attended the meeting in person with another 25 providing their comments verbally through direct contact with the CME team members.

The immediate output of the meeting and discussions held with individuals unable to come to the meeting was to present to CPC recommendations leading to policy options to assist the Government of Canada in formulating the G8 Africa Action Plan and ongoing policy development at DFAIT, the Canadian International Development Agency (CIDA), and other government departments.

A summary of the issues raised and the policy or action recommended that the Government of Canada take to address these issues are as follows:

1. Based on the guidelines of NEPAD, benchmark or rate each African country according to its political and transparency status and publish and disseminate this rating to the Canadian private sector and through business associations like CME, the Canadian Council on Africa (CCA), and the Canadian and African Business Women's Alliance (CAABWA).
2. Prepare an umbrella foreign policy between Canada and Africa and the individual countries and regions in Africa and designate a branch in DFAIT responsible for implementing it.
3. To facilitate trade between Canada and priority African trading partners (based on the results of the analysis of point (1) raised above) negotiate the appropriate Trade and Investment Cooperation Agreements, Foreign Investment Promotion Agreements and Tax Treaties.
4. Reduce or eliminate quotas and taxes on imports from Africa, particularly for Canadian companies to partner with African firms for the value-added and importation of goods from Africa
5. Create a Development Finance Institution (DFI) with a major focus on Africa. Africa is currently marginalized from traditional Foreign Direct Investment (FDI) resources. The new DFI must go beyond just providing loans and taking equity positions in ventures. It should also offer advisory services, loan finance, equity finance, quasi-equity investments, development of local capital markets, export finance and credit enhancement mechanisms. The needs for development differs in each African country, however, well designed advisory services are critical to the growth of the "fledgling private sector" as well as capital, technology transfer, management assistance and marketing outlets.