Final Report

Acacia: An Exploration of Private Sector Interest in Co-investment
Including Acacia Trust Fund Feasibility Assessment

March 2000

A study conducted for the
Acacia Project of the
International Development Research Centre
IDRC project number 004587

Ezra R. Miller
Ibex Consulting
Ibex Consulting project number ID4.9903
Summary and conclusions

This project was an attempt to assess the interest of companies, especially those not in the information and communications technologies (ICT) sector, in participating as co-investor/sponsors for the Acacia program. Acacia has already obtained a remarkable level of support from companies within the sector (e.g., Nortel Networks, Newbridge), yet there may be potential for attracting contributions of firms outside of the sector who are interested in sharing in and extending the positive reputation of the Acacia program. It was a working assumption of this project that companies that wish to create local goodwill in sub-Saharan Africa, as a prelude to or in conjunction with investment in the region, might see the value in such an association. As such, the project sought to identify Canadian firms with activity and/or interests in sub-Saharan Africa, especially in sectors identified as priorities for development such as services and resource-related undertakings.

This project thus focussed on (a) finding firms that met the above criteria and (b) surveying these firms to determine their interest in partnering with Acacia. Part (a) was accomplished through a variety of means including consultation with those knowledgeable of Canadian firms operating in sub-Saharan Africa such as officials in the Department of Foreign Affairs and International Trade, and through contact with industry associations. Part (b) was achieved through fax, email and telephone contact with the identified firms, first at the President or CEO level. This was in most cases followed up by contact with a Vice-President for Business Development and/or a senior manager responsible for Africa.

The number of firms in this survey is small, so, from a statistical point of view, it is important to be cautious about generalising from the results. These results were fairly evenly split between firms that showed no interest whatsoever (by not returning phone calls, emails etc.) and those that had mild to high interest. Of the latter group, it appears that timing is a key issue. A few firms indicated that, while there was no need for improving their respective corporate profiles at the time the survey was conducted, there had been such a need recently or there is expected to be such a need within 12-18 months. This result would point to an ongoing need for the communication of information about Acacia and IDRC to these and other firms. This also points to a continuing need for intelligence-gathering on the part of Acacia and IDRC about Canadian firms with interests in Africa, perhaps in co-operation with industry associations and groupings as well as with the assistance of other government agencies such as DFAIT.

---

1 In principle, the companies need not be Canadian. However, given that IDRC is a Canadian Crown corporation, it was felt that Canadian firms would be more receptive to the possibility of partnering than would be the case with firms based in other countries.

2 See the description in Stage 1 and Annex 1, below.
IDRC might eventually wish to consider a range of initiatives, under the general rubric of “marketing,” to facilitate private sector participation in its programs. At some point in the future, IDRC might wish to revisit the matter of creating a new mechanism to help streamline the process of private sector partners contributing, in cash or in kind, to its projects and programs.
How this study progressed

The Acacia initiative has attracted private sector companies from the information and communications technologies (ICT) sector as partner/co-investors in its African development projects. Nortel Networks, Newbridge, AGRA Spectrocan and Price Waterhouse Coopers have contributed cash and in-kind amounting to some $C 7 million over two years. Such participation by private sector firms in ICTs is seen as a significant way for the program to open new avenues for knowledge transfer, new approaches and innovation that will further the objectives of the Acacia program. That such contributions supplement the resource base of the program is clearly an additional benefit, but this is secondary to enhanced access to intangibles that are critical to activity that involves the novel use of technology.

Given this initial success in attracting private sector partners from Canadian ICT industries:
1. What additional steps could be taken to facilitate the building of relationships with private sector firms in other sector?
2. Is there a mechanism that would make this easier to accomplish?
3. In which industrial sectors should firms be approached?
4. Most important, how do private sector firms that are not in the ICT area view the opportunity of participation in Acacia?
5. How much do such firms value the opportunity to be seen as supporters of an innovative, successful development program?
6. Is the local goodwill created by such support of value to companies with interests in sub-Saharan Africa?

This study was an attempt to address these questions. Initially, the study was to focus on a mechanism to facilitate contributions from the private sector such as the creation of a special fund. This was to involve consultations within IDRC as well as with private sector firms. Because early discussions within IDRC revealed a lack of support for developing new mechanisms of any kind, a decision was taken to focus exclusively on consultations with companies with respect to questions 4-6 above. The major focus of this project was, therefore, on identifying larger Canadian firms with interests or potential interests in sub-Saharan Africa and of seeking their views on the idea of partnering with Acacia.

To help narrow the search, it was decided to concentrate on firms with revenues greater than $C25 million as it was expected that smaller firms simply do not have the resources to even consider partnering with Acacia. Also, the search for partner firms outside of ICTs, from the outset, was directed towards those sectors where sub-Saharan Africa is considered to be most in need of expertise and investment from Canadian companies.

In short, this project was something of a quest, a quest to find out how to augment private sector partnerships with Acacia. As such, the project comprised several stages which are described as follows:
Stage 1: Identify sectors

A priori, it was thought that the firms from high need/high growth sectors would be most likely to have an interest in sub-Saharan Africa and would therefore be good candidates to approach for this survey. These sectors were:

- Banking and finance
- Mining and other resource-related activity
- Transportation equipment
- Agribusiness
- Pharmaceuticals.

This was largely confirmed in a speech given to the Canadian Alliance for Business in Southern Africa (CABSA) in June 1999 in Ottawa by Jean-Louis Sarbib, Vice-President, Africa Region, World Bank. He identified five “points of entry” for Africa, that is, five sectors most in need of investment and assistance from private sector firms from countries of the North:

- Services of all kinds, including banking and financial
- Agribusiness
- Tourism
- Resource extraction
- Consulting services.

Stage 2: Identifying companies – by researching company lists and the Strategis database

In an attempt to identify firms, various lists of top Canadian firms were consulted including the Financial Post 500, the Profit 100, and Canadian Business 2000. These lists were considered to be useful because they provide information on revenues, company market interests, growth rates etc. Using the criterion of revenues greater than $C25 million, for example, as well as the sectors mentioned above, eliminated many firms. Unfortunately, these lists by themselves provide no information about the companies’ international interests.

For this reason, Industry Canada’s Canadian Company Capability database was searched by Standard Industrial Classification (SIC) code and indicated geographic interests in Africa.

This research effort did identify companies that met the revenue and sectoral criteria. However, more information was needed from experts who know the state of Canadian investment and business activity in sub-Saharan Africa.

Stage 3: Consult other government agencies and umbrella groups dealing with Canadian business in sub-Saharan Africa.

It quickly became apparent in studying the lists of top Canadian firms in the appropriate industry sectors that the number of companies thus identified was too large to be
manageable and that the likelihood that these companies would have any interest in sub-Saharan Africa, \textit{a priori}, was low.

It was decided at this point to consult with people and organisations knowledgeable of Canadian companies with activity or interests in sub-Saharan Africa in the hope that this process could help identify companies with a higher likelihood of interest in partnering with Acacia. The list of these organisations is as follows:

- **Alliance of Manufacturers and Exporters of Canada** (AMEC) and their African-related project known as the **Canadian Alliance for Business in Southern Africa** (CABSA). Indeed it was at a CABSA luncheon that Mr. Jean-Louis Sarbib spoke of the economic sectors most in need of support and collaboration from Canada and other countries of the North.

- **Department of Foreign Affairs and International Trade** both in Ottawa and with the assistance of the Trade Commissioner in South Africa, a comprehensive list of firms was developed.

- **Canadian International Development Agency** – This consultation revealed that companies involved with CIDA projects in Africa appear to be more interested in doing business with CIDA than with establishing a commercial base in sub-Saharan Africa. CIDA acknowledged, however, that the companies identified by DFAIT and CABSA as being active in sub-Saharan Africa were appropriately identified as such.

- **Canada-South Africa Chamber of Commerce** was helpful in confirming many of the names of firms identified by DFAIT and CABSA.

- **Club des ambassadeurs et des entrepreneurs Canadiens pour l’Afrique**, a suggestion of DFAIT, responded to our communications but without useful information.

A detailed list of these contacts can be found in Annex 4.

These efforts, in Stage 3 resulted in the list of companies found in Annex 2. It remained to further refine this list, especially to focus on two key sectors where Canadian firms are especially active in sub-Saharan Africa: mining and consulting engineering. This led to Stage 4.

**Stage 4: Consult industry associations**

Advice was sought from Canadian industry associations, in the relevant sectors (mining, consulting engineering) on which of their member companies that are active in sub-Saharan Africa might be interested in partnering with Acacia.

The associations contacted are listed below with the outcome of the contact summarised. Detailed meeting reports are contained in Annexes 7, 8 and 9.

- **Canadian Advanced Technology Alliance (CATA)** – John Reid, the President of CATA was consulted as the leader of an organisation representing high technology companies as well as a person who is very familiar with the mining industry, having been a President of the Mining Association of Canada. The full report on this...
meeting can be found in Annex 7. It is noteworthy that there is the possibility of co-operating with CATA with respect to the “business corridors” to foreign markets on its website as well as with respect to its upcoming annual meeting that will be held in Washington, D.C. in June 2000. Reid strongly suggested meeting with Gordon Peeling, President and CEO of the Mining Association of Canada.

- **Canadian Association of Mining Equipment and Services for Export (CAMESE)** – Jon Baird, Managing Director of CAMESE, responded: “I think that your program would appeal most to mineral exploration and mining companies that have an interest in the region. The membership of CAMESE comprises companies that supply the mining industry. While some would undertake projects for the exploration and mining firms in the region, they would not have the same level of interest. Furthermore 90% of our membership would have revenues of less than $10 million a year. On top of this, with mineral and metal commodity prices the way they are, mining suppliers are hurting right now.”

- **The Mining Association of Canada (MAC)** – The meeting with Gordon Peeling and Dan Paszkowski of MAC (see full report, Annex 8) led to the identification of five Canadian companies:
  - Placer Dome, Vancouver
  - Barrick Gold
  - Falconbridge
  - Noranda
  - Pangea Gold - not a member of MAC - try PDAC

Of these firms, it was found that Placer Dome and Barrick Gold were really the only ones that had operations in sub-Saharan Africa. MAC officials also suggested that the Prospectors and Developers Association of Canada be contacted as this association represents the smaller Canadian players some of whom may have interests in Africa.

- **Prospectors and Developers Association of Canada (PDAC)** – Numerous attempts were made to contact PDAC including by email and phone but to no avail.

- **Association of Consulting Engineers of Canada (ACEC)** – Canadian consulting engineering firms are involved in a number of projects in sub-Saharan Africa, including mining projects. ACEC was helpful in identifying the following members of the association that are active in Africa (see Annex 9 for full meeting report):
  - Groupe SNC-Lavalin Inc.
  - Agra
  - Stantec Consulting Ltd.
  - Hatch Associates
  - Sandwell International Inc.

---

3 CATA annual conference to be held in Washington, D.C. June 5-7 (in conjunction with the Greater Washington Initiative, the Potomac Council of the AEA (American Electronic Association), DC Technology Council, the High Technology Council of Maryland, NVTC (Northern Virginia Technology Council), CABC (Canadian American Business Council) and the Greater Washington Board of Trade and its International Business Council.)
ACEC was helpful in providing a CD-ROM containing a database of its members including information on these five firms. Note that Agra had already entered into a partnership with Acacia obviating the need for further contact.

Stage 5: Contact companies

Thus, two mining firms and four consulting engineering firms were identified as prime candidates. (Three of these were on the original list compiled with the help of DFAIT (see Annex 2).) A contact person was found, usually the President/CEO or a Vice-President with responsibility for Africa. They were sent a letter (Annex 10), by fax and regular mail asking for their views on two questions:

- Is your firm currently involved in business undertakings in sub-Saharan Africa or are you planning to expand into markets in this region in the near future?
- Would your firm find it beneficial, for your business strategy, to contribute cash or in-kind, to development-related projects as a demonstration of your good corporate citizenship and of your firm's commitment to Africa and African development?

This was followed-up by phone calls and email. Responses were obtained from all but SNC-Lavalin. These can be summarised as follows:
In addition to these mining and consulting engineering firms, IBM was approached through contacts at IBM Canada with a similar letter seeking views on possible interest in collaboration with Acacia. IBM is a natural for collaboration with Acacia given its global presence and, as a manufacturer of computer hardware and software is positioned to make donations of much needed equipment to Acacia. The attempt open a channel to the appropriate responsibility centres for Africa through IBM Canada however led to nought mainly because IBM Corporation (the parent firm) saw little reason to collaborate with a Canadian development agency. It might be well to pursue this with IBM in Africa directly.

4 General Impression refers to conversations with executives in these companies when they were called to bring their attention to the letters sent to them by fax and regular mail.
5 Specific Comments are the actual comments they provided in response to the letter. These comments were either sent by email or given in a telephone conversation.
6 Comments by John Carrington in response to the letter: “Barrick is currently developing a major mining project near Kahama in northwestern Tanzania. This is our sole development to date in sub-Saharan Africa. As such, we are actively developing a social and community involvement plan in conjunction with our project. It would appear that your work is centred around IT whereas ours is based more on the ground. I believe that our work will demonstrate clearly to all our commitment to social and community work as a key part of our mining plan. At this time, I do not see Barrick involved with Acacia.”
7 Jim Cooney, General Manager, Strategic Issues, Placer Dome, Inc., indicated that the company is very interested in Acacia, but not at the moment. He said to contact again in May or June when the company may need local community development projects associated with a mine that may go ahead. In general, he said that: Placer is very concerned about sustainable development; is interested in helping African communities to leap-frog a hundred years of development; is interested in working with NGOs. Placer is currently 50% owner of mine in South Africa near Johannesburg; current exploration project in southwest Niger.
Stage 6: wrap-up

This report is intended to provide documentation for future follow-up with these and other firms identified in this study. Given the very limited amount of time provided for in this study, it was necessary to constrain company contacts to the above firms. Clearly there are other sectors – for example, transportation equipment (Bombardier), and high technology (Cognos, Corel, SR Telecom) – as well as the very companies mentioned above, where further contacts should be pursued. **Jim Cooney at Placer Dome said, specifically, to get in touch again in May or June, for example.** In short, there is a need for a much greater effort at reaching out to companies, raising their awareness of Acacia and of the potential benefits of partnering with the program.

Liaison with other IDRC programs

**Mining Policy Research Initiative (MPRI)**

The Mining Policy Research Initiative is a program focused on the mining industry in South America. Lisa Burley of MPRI staff was consulted with respect to avoiding duplication of effort and contacts. She noted that MPRI had already been in touch with the contact identified by the Mining Association of Canada for Placer Dome (Jim Cooney). MPRI had been in touch with John Carrington of Barrick, the MAC-suggested contact there. Burley indicated that Tony Andrews of the Prospectors and Developers Association of Canada is on the MPRI Advisory Committee and they have a good relationship with him.

**Partnership and Business Development Office (PBDO)**

Throughout this project, the consultant kept in close contact with PBDO and it was input from that Office that helped determine the course of this study.

**Other research efforts**

A search was conducted on the Internet looking for links between Canada and Africa as well as web sites with information about firms with interests in Africa. Site of most interest is The MBendi AfroPaedia - Information for Africa at http://www.mbendi.co.za/index.htm.

Internet searching did identify some Canadian industry associations that might have members in the relevant sectors with interests in Africa. For example:

- Canadian Wood Council http://www.cwc.ca/
- Saskatchewan Trade and Export Partnership (STEP) http://www.sasktrade.sk.ca/
- The Canadian Drilling Association http://www.canadiandrilling.com/, and
- Canadian Association of Mining Equipment and Services for Export http://www.pyrite.infomine.com/
Also, there is considerable information about the growth and development of the Internet in Africa. See for example and article from the publication *InterActive Week* entitled, “The Net in Africa: a Diamond in the Rough” (http://www.zdnet.com/intweek/stories/news/0,4164,2399828,00.html). See also regular reports from Global Reach (http://glreach.com) and others monitoring the growth of the Internet around the globe.
Where to go next

It should be obvious to the reader that this project took a number of twists and turns. The project started with the idea of studying the feasibility of a trust fund mechanism for Acacia and ended with a list of six Canadian firms that have strategic interests in Africa. If one were to come to the conclusion that, on this basis alone, the project was a miserable failure one would be entirely missing a key point. Rather, there is a vast potential for private sector partnering for Acacia (and indeed, other IDRC programs) and that this study merely “scratched the surface” of this potential.

The lists (Annex 3) of top Canadian firms indicate that there are many fast growing companies; some of these may find themselves developing commercial interests in sub-Saharan Africa at some point. As it is, this study identified 29 Canadian companies with known interests in this region (Annex 2). Of these, three are already partners in Acacia and another three were among the companies contacted as part of this study.

The research (Annex 6) into the six key firms led to useful insights into their strategic approaches and interests – all of these firms indicate some interest in community or social development in conjunction with their broader commercial interests.

It is also obvious from the contacts with these six firms that merely sending a fax or an email from a contractor to IDRC is not going to seal a partnership agreement. Such efforts require input and agreement from the highest levels. If IDRC wants to seriously pursue this direction then the highest level managers must pursue it. In short, the present study is a sort of “taste” of what could be. To realise this on a larger scale will take a much more concerted effort which will combine research and intelligence gathering on potential partners with the dedicated efforts of senior managers to cultivate high level contacts in the private sector.
Annex 1: Sectors in sub-Saharan Africa most in need of co-operation/partnership from the North and SIC codes

(as specified by the client and confirmed by Mr. Jean-Louis Sarbib, Regional Vice-President, Africa Region, World Bank)

<table>
<thead>
<tr>
<th>Agri-business</th>
<th>banking &amp; finance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services</td>
<td>consulting</td>
</tr>
<tr>
<td></td>
<td>tourism</td>
</tr>
<tr>
<td>Extraction</td>
<td>mining</td>
</tr>
<tr>
<td></td>
<td>metals processing</td>
</tr>
<tr>
<td>Pharmaceuticals*</td>
<td></td>
</tr>
<tr>
<td>Transportation equipment*</td>
<td></td>
</tr>
</tbody>
</table>

*added by the client

Equivalent Standard Industrial Classification (SIC) codes (used in search CCC database):

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A02</td>
<td>Service Inds Incidental to Agriculture</td>
</tr>
<tr>
<td>D06</td>
<td>Mining Industries</td>
</tr>
<tr>
<td>E29</td>
<td>Primary Metal Industries</td>
</tr>
<tr>
<td>E30</td>
<td>Fabricated Metal Products Industries</td>
</tr>
<tr>
<td>E32</td>
<td>Transportation Equipment Industries</td>
</tr>
<tr>
<td>E36</td>
<td>Refined Petroleum &amp; Coal Products Industries</td>
</tr>
<tr>
<td>E37</td>
<td>Chemical &amp; Chemical Products Industries</td>
</tr>
<tr>
<td>E374</td>
<td>Pharmaceutical and Medicine Industry</td>
</tr>
<tr>
<td>E3741</td>
<td>Pharmaceutical and Medicine Industry</td>
</tr>
<tr>
<td>K</td>
<td>Finance &amp; Insurance Industries</td>
</tr>
<tr>
<td>M</td>
<td>Business Service Industries</td>
</tr>
</tbody>
</table>
Annex 2: List of Canadian Companies with Interests in sub-Saharan Africa
(compiled from suggestions of DFAIT, CABSA, CIDA)
Firms that comprised the actual survey of this study are indicated in **bold** type.

<table>
<thead>
<tr>
<th>Firm Name</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acres</td>
<td>consulting</td>
</tr>
<tr>
<td>Apotex</td>
<td>pharmaceuticals</td>
</tr>
<tr>
<td><strong>Barrick Gold</strong></td>
<td>resource extraction</td>
</tr>
<tr>
<td>Bombardier Inc.</td>
<td>transportation equipment</td>
</tr>
<tr>
<td>CAE</td>
<td>technology</td>
</tr>
<tr>
<td>CIBC</td>
<td>financial services</td>
</tr>
<tr>
<td>Clearly Canadian Beverage Corp.</td>
<td>bottling</td>
</tr>
<tr>
<td>Cognos</td>
<td>technology</td>
</tr>
<tr>
<td>Corel</td>
<td>technology</td>
</tr>
<tr>
<td>GE Canada</td>
<td></td>
</tr>
<tr>
<td>General Woods &amp; Veneers</td>
<td></td>
</tr>
<tr>
<td>GM Diesel</td>
<td></td>
</tr>
<tr>
<td>Harris Farinon Canada</td>
<td></td>
</tr>
<tr>
<td>Hydro Québec Internationale</td>
<td>energy</td>
</tr>
<tr>
<td>Lava Systems</td>
<td></td>
</tr>
<tr>
<td><strong>Monenco Agra</strong></td>
<td>consulting</td>
</tr>
<tr>
<td>Newbridge networks</td>
<td>technology</td>
</tr>
<tr>
<td>Noranda</td>
<td>resource extraction</td>
</tr>
<tr>
<td>Nortel Networks</td>
<td>technology</td>
</tr>
<tr>
<td>Pangea Goldfields</td>
<td>resource extraction</td>
</tr>
<tr>
<td><strong>Placer Dome</strong></td>
<td>resource extraction</td>
</tr>
<tr>
<td>Pratt &amp; Whitney</td>
<td>technology</td>
</tr>
<tr>
<td>Royal Bank of Canada</td>
<td>financial services</td>
</tr>
<tr>
<td><strong>SNC-Lavalin</strong></td>
<td>consulting</td>
</tr>
<tr>
<td>SouthernEra Resources</td>
<td>resource extraction</td>
</tr>
<tr>
<td>SR Telecom</td>
<td>technology</td>
</tr>
<tr>
<td>Sutton Resources</td>
<td>resource extraction</td>
</tr>
<tr>
<td>Tecconsult</td>
<td>consulting</td>
</tr>
<tr>
<td>Trans-Canada Pipelines</td>
<td></td>
</tr>
</tbody>
</table>
Annex 3: Some lists of top-ranked Canadian firms in identified sectors

The Profit 100

http://www.profit100.com

<table>
<thead>
<tr>
<th>RANK</th>
<th>COMPANY</th>
<th>SECTOR</th>
<th>SALES (Smil)</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>Potash Corp. of Saskatchewan Inc.</td>
<td>(agri)</td>
<td>3,439</td>
</tr>
<tr>
<td>6</td>
<td>CGI Group Inc.</td>
<td>(cons)</td>
<td>741</td>
</tr>
<tr>
<td>22</td>
<td>Vanbots Construction Corp.</td>
<td>(eng)</td>
<td>485</td>
</tr>
<tr>
<td>31</td>
<td>Ledcor Industries Ltd.</td>
<td>(eng)</td>
<td>750</td>
</tr>
<tr>
<td>5</td>
<td>American Eco Corp.</td>
<td>(eng)</td>
<td>444</td>
</tr>
<tr>
<td>43</td>
<td>Saputo Group Inc.</td>
<td>(food)</td>
<td>817</td>
</tr>
<tr>
<td>34</td>
<td>Alliance Forest Products Inc.</td>
<td>(fp)</td>
<td>1,085</td>
</tr>
<tr>
<td>18</td>
<td>St. Laurent Paperboard Inc.</td>
<td>(fp)</td>
<td>1,282</td>
</tr>
<tr>
<td>30</td>
<td>Kinross Gold Corp.</td>
<td>(mng)</td>
<td>427</td>
</tr>
<tr>
<td>45</td>
<td>Ensign Resource Service Group Inc.</td>
<td>(o&amp;g)</td>
<td>419</td>
</tr>
<tr>
<td>20</td>
<td>Halliburton Canada Inc.</td>
<td>(o&amp;g)</td>
<td>562</td>
</tr>
<tr>
<td>46</td>
<td>Poco Petroleums Ltd.</td>
<td>(o&amp;g)</td>
<td>628</td>
</tr>
<tr>
<td>25</td>
<td>Canadian Natural Resources Ltd.</td>
<td>(o&amp;g)</td>
<td>878</td>
</tr>
<tr>
<td>8</td>
<td>Precision Drilling Corp.</td>
<td>(o&amp;g)</td>
<td>1,000</td>
</tr>
<tr>
<td>36</td>
<td>Alberta Energy Co. Ltd.</td>
<td>(o&amp;g)</td>
<td>1,910</td>
</tr>
<tr>
<td>44</td>
<td>Canadian Ultramar Co.</td>
<td>(o&amp;g)</td>
<td>3,683</td>
</tr>
<tr>
<td>49</td>
<td>Shaw Industries Ltd.</td>
<td>(o&amp;g)</td>
<td>769</td>
</tr>
</tbody>
</table>
## Companies from relevant sectors from the Financial Post 500 list

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abitibi-Consolidated Inc.</td>
<td>fp</td>
</tr>
<tr>
<td>Agricore Cooperative Ltd.</td>
<td>agr</td>
</tr>
<tr>
<td>Agrifoods International Co-operative Ltd.</td>
<td>food</td>
</tr>
<tr>
<td>Agropur Coopérative Agro-Alimentaire</td>
<td>food</td>
</tr>
<tr>
<td>Alberta Energy Co. Ltd.</td>
<td>o&amp;g</td>
</tr>
<tr>
<td>Algoma Steel Inc.</td>
<td>steel</td>
</tr>
<tr>
<td>Alliance Forest Products Inc.</td>
<td>fp</td>
</tr>
<tr>
<td>Bank of Montreal</td>
<td>fs</td>
</tr>
<tr>
<td>Bank of Nova Scotia</td>
<td>fs</td>
</tr>
<tr>
<td>Barrick Gold Corp.</td>
<td>mng</td>
</tr>
<tr>
<td>BC Hydro and Power Authority</td>
<td>util</td>
</tr>
<tr>
<td>Bombardier Inc.</td>
<td>manu</td>
</tr>
<tr>
<td>Bowater Pulp and Paper Canada Inc.</td>
<td>fp</td>
</tr>
<tr>
<td>Caisse de dépôt et placement du Québec</td>
<td>fs</td>
</tr>
<tr>
<td>Call-Net Enterprises Inc.</td>
<td>tele</td>
</tr>
<tr>
<td>Canadian Pacific Ltd.</td>
<td>div</td>
</tr>
<tr>
<td>Canadian Ultramar Co.</td>
<td>o&amp;g</td>
</tr>
<tr>
<td>Canadian Wheat Board</td>
<td>agri</td>
</tr>
<tr>
<td>Canfor Corp.</td>
<td>fp</td>
</tr>
<tr>
<td>Cargill Ltd.</td>
<td>agri</td>
</tr>
<tr>
<td>Cascades Inc.</td>
<td>fp</td>
</tr>
<tr>
<td>Chevron Canada Resources</td>
<td>o&amp;g</td>
</tr>
<tr>
<td>Cominco Ltd.</td>
<td>mng</td>
</tr>
<tr>
<td>Conféd. des caisses pop. Desjardins</td>
<td>fs</td>
</tr>
<tr>
<td>Consumers Gas Co. Ltd.</td>
<td>util</td>
</tr>
<tr>
<td>Co-Steel Inc.</td>
<td>steel</td>
</tr>
<tr>
<td>Cott Corp.</td>
<td>food</td>
</tr>
<tr>
<td>Crown Life Insurance Co.</td>
<td>fs</td>
</tr>
<tr>
<td>CT Financial Services Inc.</td>
<td>fs</td>
</tr>
<tr>
<td>DMR Consulting Group Inc.</td>
<td>cons</td>
</tr>
<tr>
<td>Domtar Inc.</td>
<td>fp</td>
</tr>
<tr>
<td>Donohue Inc.</td>
<td>fp</td>
</tr>
<tr>
<td>EdperBrascan Corp.</td>
<td>div</td>
</tr>
<tr>
<td>Enbridge Inc.</td>
<td>o&amp;g</td>
</tr>
<tr>
<td>Falconbridge Ltd.</td>
<td>mng</td>
</tr>
<tr>
<td>GE Capital IT Solutions</td>
<td>cons</td>
</tr>
<tr>
<td>Great Atlantic &amp; Pacific Co. of Canada Ltd.</td>
<td>food</td>
</tr>
<tr>
<td>Gulf Canada Resources Ltd.</td>
<td>o&amp;g</td>
</tr>
<tr>
<td>Husky Injection Molding Systems Ltd.</td>
<td>manu</td>
</tr>
<tr>
<td>Husky Oil Ltd.</td>
<td>o&amp;g</td>
</tr>
<tr>
<td>Hydro-Québec</td>
<td>util</td>
</tr>
<tr>
<td>IBM Canada Ltd.</td>
<td>high</td>
</tr>
<tr>
<td>Imperial Oil Ltd.</td>
<td>o&amp;g</td>
</tr>
<tr>
<td>Inco Ltd.</td>
<td>mng</td>
</tr>
<tr>
<td>IPSCO Inc.</td>
<td>steel</td>
</tr>
<tr>
<td>Irving Oil Ltd.</td>
<td>o&amp;g</td>
</tr>
<tr>
<td>Jim Pattison Group</td>
<td>div</td>
</tr>
<tr>
<td>Kruger Inc.</td>
<td>fp</td>
</tr>
<tr>
<td>MacMillan Bloedel Ltd.</td>
<td>fp</td>
</tr>
<tr>
<td>Maple Leaf Foods Inc.</td>
<td>food</td>
</tr>
<tr>
<td>McCain Foods Ltd.</td>
<td>food</td>
</tr>
<tr>
<td>McDonalds Restaurants of Canada Ltd.</td>
<td>(fran)</td>
</tr>
<tr>
<td>Medis Health &amp; Pharmaceutical Services Inc.</td>
<td>chem</td>
</tr>
<tr>
<td>Mobil Oil Canada Ltd.</td>
<td>o&amp;g</td>
</tr>
<tr>
<td>Molson Breweries</td>
<td>food</td>
</tr>
<tr>
<td>Nabisco Ltd.</td>
<td>food</td>
</tr>
<tr>
<td>Nestlé Canada Inc.</td>
<td>food</td>
</tr>
<tr>
<td>Newbridge Networks Corp.</td>
<td>high</td>
</tr>
<tr>
<td>Noranda Inc.</td>
<td>mng</td>
</tr>
<tr>
<td>NOVA Chemicals Corp.</td>
<td>chem</td>
</tr>
<tr>
<td>Olymel Société en Commandite</td>
<td>food</td>
</tr>
<tr>
<td>Ontario Hydro</td>
<td>util</td>
</tr>
<tr>
<td>PanCanadian Petroleum Ltd.</td>
<td>o&amp;g</td>
</tr>
<tr>
<td>Petro-Canada Inc.</td>
<td>o&amp;g</td>
</tr>
<tr>
<td>Placer Dome Inc.</td>
<td>mng</td>
</tr>
<tr>
<td>Potash Corp. of Saskatchewan Inc.</td>
<td>agri</td>
</tr>
<tr>
<td>Power Corp. of Canada</td>
<td>div</td>
</tr>
<tr>
<td>Quebecor Inc.</td>
<td>div</td>
</tr>
<tr>
<td>RBC Dominion Securities Ltd.</td>
<td>fs</td>
</tr>
<tr>
<td>Rio Algom Ltd.</td>
<td>mng</td>
</tr>
<tr>
<td>Rogers Cantel Mobile Communications Inc.</td>
<td>tele</td>
</tr>
<tr>
<td>Russel Metals Inc.</td>
<td>mng</td>
</tr>
<tr>
<td>Saskatchewan Wheat Pool</td>
<td>agri</td>
</tr>
<tr>
<td>ScotiaMcLeod Inc.</td>
<td>fs</td>
</tr>
<tr>
<td>Shell Canada Ltd.</td>
<td>o&amp;g</td>
</tr>
<tr>
<td>SNC-Lavalin Group Inc.</td>
<td>eng</td>
</tr>
<tr>
<td>St. Laurent Paperboard Inc.</td>
<td>fp</td>
</tr>
<tr>
<td>Suncor Energy Inc.</td>
<td>o&amp;g</td>
</tr>
<tr>
<td>Talisman Energy Inc.</td>
<td>o&amp;g</td>
</tr>
<tr>
<td>Toronto-Dominion Bank</td>
<td>fs</td>
</tr>
<tr>
<td>TransAlta Corp.</td>
<td>o&amp;g</td>
</tr>
<tr>
<td>TransCanada PipeLines Ltd.</td>
<td>o&amp;g</td>
</tr>
<tr>
<td>United Grain Growers Ltd.</td>
<td>agri</td>
</tr>
<tr>
<td>West Fraser Timber Co. Ltd.</td>
<td>fp</td>
</tr>
<tr>
<td>Westcoast Energy Inc.</td>
<td>o&amp;g</td>
</tr>
<tr>
<td>XCAN Grain Pool Ltd.</td>
<td>agri</td>
</tr>
</tbody>
</table>
Highest growth firms from the list, in the sectors relevant to sub-Saharan Africa:

<table>
<thead>
<tr>
<th>No.</th>
<th>COMPANY</th>
<th>sector</th>
<th>Sales ($mil)</th>
<th>Increase % change 3 year</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>Potash Corp. of Saskatchewan Inc.</td>
<td>agri</td>
<td>3,439.1</td>
<td>269.0</td>
</tr>
<tr>
<td>16</td>
<td>Navistar International Corp. Canada</td>
<td>auto</td>
<td>2,789.3</td>
<td>259.8</td>
</tr>
<tr>
<td>22</td>
<td>Vanbots Construction Corp.</td>
<td>eng</td>
<td>485.0</td>
<td>223.3</td>
</tr>
<tr>
<td>31</td>
<td>Leducor Industries Ltd.</td>
<td>eng</td>
<td>750.0</td>
<td>183.0</td>
</tr>
<tr>
<td>5</td>
<td>American Eco Corp.</td>
<td>eng</td>
<td>444.2</td>
<td>780.9</td>
</tr>
<tr>
<td>43</td>
<td>Saputo Group Inc.</td>
<td>food</td>
<td>817.3</td>
<td>133.5</td>
</tr>
<tr>
<td>18</td>
<td>St. Laurent Paperboard Inc.</td>
<td>fp</td>
<td>1,282.3</td>
<td>243.6</td>
</tr>
<tr>
<td>34</td>
<td>Alliance Forest Products Inc.</td>
<td>fp</td>
<td>1,085.1</td>
<td>169.9</td>
</tr>
<tr>
<td>23</td>
<td>Trimark Financial Corp.</td>
<td>fs</td>
<td>586.6</td>
<td>217.2</td>
</tr>
<tr>
<td>24</td>
<td>Chrysler Credit Canada Ltd.</td>
<td>fs</td>
<td>696.9</td>
<td>215.7</td>
</tr>
<tr>
<td>26</td>
<td>Fairfax Financial Holdings Ltd.</td>
<td>fs</td>
<td>3,574.3</td>
<td>212.0</td>
</tr>
<tr>
<td>2</td>
<td>RGA Life Reinsurance Co. of Canada</td>
<td>fs</td>
<td>438.8</td>
<td>1,944.4</td>
</tr>
<tr>
<td>3</td>
<td>Newcourt Credit Group Inc.</td>
<td>fs</td>
<td>1,498.6</td>
<td>1,526.1</td>
</tr>
<tr>
<td>9</td>
<td>Goran Capital Inc.</td>
<td>fs</td>
<td>810.6</td>
<td>407.8</td>
</tr>
<tr>
<td>30</td>
<td>Kinross Gold Corp.</td>
<td>mng</td>
<td>427.1</td>
<td>184.5</td>
</tr>
<tr>
<td>8</td>
<td>Precision Drilling Corp.</td>
<td>o&amp;g</td>
<td>1,000.0</td>
<td>459.9</td>
</tr>
<tr>
<td>20</td>
<td>Halliburton Canada Inc.</td>
<td>o&amp;g</td>
<td>561.6</td>
<td>229.8</td>
</tr>
<tr>
<td>25</td>
<td>Canadian Natural Resources Ltd.</td>
<td>o&amp;g</td>
<td>877.6</td>
<td>212.3</td>
</tr>
<tr>
<td>36</td>
<td>Alberta Energy Co. Ltd.</td>
<td>o&amp;g</td>
<td>1,909.9</td>
<td>160.6</td>
</tr>
<tr>
<td>44</td>
<td>Canadian Ultramar Co.</td>
<td>o&amp;g</td>
<td>3,682.9</td>
<td>132.2</td>
</tr>
<tr>
<td>45</td>
<td>Ensign Resource Service Group Inc.</td>
<td>o&amp;g</td>
<td>418.9</td>
<td>131.9</td>
</tr>
<tr>
<td>46</td>
<td>Poco Petroleums Ltd.</td>
<td>o&amp;g</td>
<td>627.8</td>
<td>128.8</td>
</tr>
<tr>
<td>49</td>
<td>Shaw Industries Ltd.</td>
<td>o&amp;g</td>
<td>769.0</td>
<td>125.0</td>
</tr>
<tr>
<td>50</td>
<td>Laidlaw Inc.</td>
<td>trans</td>
<td>5,346.5</td>
<td>120.7</td>
</tr>
<tr>
<td>14</td>
<td>Intrawest Corp.</td>
<td>trav</td>
<td>601.7</td>
<td>293.5</td>
</tr>
</tbody>
</table>
Annex 4: contacts

*Canadian Alliance for Business in Southern Africa (CABSA)*

http://www.the-alliance.com/cabsa/

Mme Paule Charest  
Alliance for le développement des affaires en Afrique australe  
19 Chemin du ravin  
Ste-Thérèse (Québec) J7E 2T5  
Téléphone: (450) 434-4196  
Télécopier: (450) 430-5684  
Courriel: paule.charest@sympatico.ca

Bradley Conarroe  
Canadian Alliance for Business in Southern Africa (CABSA)  
5995 Avebury Road, Suite 900  
Mississauga, Ontario L5R 3P9  
Tel: (905) 568-8300 ext. 248; Fax: (905) 568-8155  
E-mail: Brad_Conarroe@the-alliance.com

*Department of Foreign Affairs and International Trade (DFAIT)*

Robert G Farrell, Deputy Director  
Sub-Saharan Africa Trade  
125 Sussex Drive  
Ottawa, Ontario, Canada, K1A 0G2  
Telephone (613) 944-8133  
robert.farrell@dfait-maeci.gc.ca

and Pierre Hamel, Senior Trade Commissioner, South Africa  
jeanpierre.hamel@pret01.x400.gc.ca

*Canada-South Africa Chamber of Commerce*

Richard Stern  
(613) 248-8084 x42  
e-mail: rhstern@ibm.net

*Club des ambassadeurs et des entrepreneurs Canadiens pour l’Afrique*

M. Jean Télé Udima  
Directeur Général  
6830 avenue du Parc, Suite 565  
Montréal, Québec H3N1W7  
Téléphone (514) 271-0071; Télécopier (514) 271-1061  
Courriel: caeca@aei.ca
Annex 5: Industry Associations

**Canadian Advanced Technology Alliance (CATA)**

[http://www.CATA.ca/](http://www.CATA.ca/)
John Reid, President
288 Albert St., Ottawa, Ontario K1R 5B2
phone: (613) 236-6550 x224; fax: (613) 236-8189
jonreid@IBM.net

**Canadian Association of Mining Equipment and Services for Export (CAMESE)**

Jon G. Baird, B.Sc.
Managing Director
101 - 345 Renfrew Drive
Markham, Ontario, L3R 9S9, Canada
tel: (905) 513-0046 ext.302, fax: (905) 513-1834
e-mail: baird@camese.org

**Mining Association of Canada (MAC)**

[http://www.mining.ca/English/](http://www.mining.ca/English/)
Gordon Peeling, President and CEO
Dan Paszkowski, Vice-President, Economic Affairs
350 Sparks St., Suite 1105
Ottawa, Ontario K1R 7S8
Phone: (613) 233-9391; fax: (613) 233-8897
Gpeeling@mining.ca, dpasszkowski@mining.ca

**Prospectors and Developers Association of Canada (PDAC)**

[http://www.pdac.ca/](http://www.pdac.ca/)
Tony Andrews, Executive Director
34 King St. E., Suite 900
Toronto, Ontario M5C 2X8
Phone: (416) 362-1969
Andrews@PDAC.ca

**Association of Consulting Engineers of Canada (ACEC)**

[http://www.ACEC.ca/](http://www.ACEC.ca/)
Hélène Schneider, Manager, International Programs
130 Albert Street, Suite 616
Ottawa, Ontario K1P 5G4
Phone: (613) 236-0569; Fax: (613) 236-6193
exports@acec.ca

Annex 6: Company information

The following sections reflect research undertaken into the companies identified as being larger Canadian firms with commercial interests in sub-Saharan Africa who might make good candidates to be co-investment partners with Acacia. This research focussed on
information available on the companies respective websites. It was intended (1) to find indications from of interest in corporate citizenship-type projects including interest in developing local social development initiatives and (2) to try to find background on suggested contact persons in these companies.
Barrick Gold

http://www.barrick.com/main.cfm

Barrick Gold’s website is quite limited in the kind of information provided. It does however, list some of the key executives as follows. John Carrington was the contact for this study (as suggested by the Mining Association of Canada and IDRC’s Mining Policy Research Initiative).

Peter Munk is the founder and Chairman of the Board of Barrick Gold Corporation. A well-known Canadian business leader and industrialist, Mr. Munk is also the founder, Chairman of the Board and Chief Executive Officer of TrizecHahn Corporation. In 1993, Mr. Munk was named an Officer of the Order of Canada, Canada's highest honour for a private citizen.

Randall Oliphant is President and Chief Executive Officer and a Director of Barrick Gold Corporation. Previously, Mr. Oliphant was Executive Vice-President and Chief Financial Officer and has held progressively responsible positions since joining Barrick in 1987. As Chief Financial Officer from 1994 to 1999 he played a key role in the Company's overall strategy and development. Mr. Oliphant has also served as Vice-President of Corporate Development and Vice-President and Treasurer. He has been a Director of the Corporation since 1997. Prior to joining Barrick, Mr. Oliphant was a chartered accountant with Coopers & Lybrand.

John K. Carrington is Vice Chairman, Chief Operating Officer and a Director of Barrick Gold Corporation. Mr. Carrington assumed responsibility for Barrick's mining operations at the beginning of 1997. He joined Barrick in early 1995 as Executive Vice-President, Operations and was named Chief Operating Officer in 1996 and Vice Chairman in 1999. Mr. Carrington has had extensive experience in operations management, having held executive positions with a number of major mining companies.
Placer Dome
http://www.placerdome.com

Excerpts from
“Global Mining: Three Priorities in a Politically Challenging World”
Presentation by: James P. Cooney, Director, International and Public Affairs, Placer Dome Inc.
Northwest Mining Association Annual International Convention
December 4-8, 1995, Spokane, Washington

Points of special relevance to this study are emphasised in **bold**. Major sections, considered less relevant to this study were omitted (indicated by “…”).

What is required for the mining industry to grow and prosper in a politically challenging world? In my view, the answer to this question can be summarized as “the industry's three priorities”.

The first priority is **gaining access to the world's mineralized jurisdictions**. The second priority is **establishing a measure of security and predictability in government treatment of mining**. Confidence in the stability of the fiscal and legal framework within which we operate is necessary to encourage the investment of large amounts of capital in mine development. The third priority is **sustaining our welcome over the long term in those jurisdictions which we find worthy of investment**. I believe the mining industry has generally been focussed on the first two priorities, while giving too little attention to the third. As a result, the mining industry may be accumulating more political risk globally than we generally recognize.

The mining industry has made much progress in recent years on the first priority, gaining access to mineralized jurisdictions around the world. Less than a decade ago, many countries (such as the former Soviet bloc) refused entry to multinational mining companies. Many other countries, particularly in Africa and Latin America strongly discouraged foreign investment in mining, through punitive taxes and royalties, or state control of the mineral sector, or onerous laws and regulations.

Today, much of the world that was previously closed to us is now formally open to foreign investment in mining. However, in many areas, access continues to be impeded by certain adverse conditions. Violence on the ground, in the form of civil war or guerilla movements in a number of countries deters all but the most intrepid and risk-tolerant miners. Corruption is serious enough in some countries to make it impossible for an honest mining company to gain access. The alliance of some governments with terrorist organizations has placed several countries off-limits for all foreign investors. Human rights abuses in some countries makes them unacceptable as investment targets. The lack of clear policies supporting foreign investment in mining, often aggravated by political and bureaucratic entanglements, hinders access in such major mineralized areas as Russia, China, and India. Finally, in certain countries where mining companies have long enjoyed access, such as the U.S., Canada, and Australia, there are emerging restrictions related to the impact of mine development on parks, wilderness areas, rain forests or traditional aboriginal uses.

In my view, it is unlikely our expanded zone of access will grow much further during the next decade because of the persistence of these impediments. Indeed, certain areas now open may actually regress, such as the former Soviet Union, where if the free market experiment is rejected by the electorate, our current access may eventually become only a memory of a brief opening.

This brings us to the second priority: securing our investments through the establishment of supportive legal, fiscal and administrative structures. Fundamentally, what mining companies and enlightened governments seek is a system of taxation, regulation, and government treatment that satisfies public purposes without imposing so heavy a burden as to discourage investment in mine development. This may
be a delicate balancing act, but it can be done. The system should be efficient and effective, and also transparent, fair, stable, and predictable.

... 

Joint-venturing with a strong domestic partner is a possible structure for overcoming the deficiency in security provided by laws or contracts. The multinational mining company brings capital, technology and managerial efficiency to building and operating a mine, and the domestic partner provides an interface with government and society. The domestic partner should obviously understand how to get things done in the midst of legal chaos, administrative incompetence and political corruption.

Such joint ventures can be an effective arrangement. However, one risk is that the foreign investor might be induced through the partnership to conform too closely to a socio-political system that requires not indulgence but change. The domestic partner, in order to secure continuing government support for the joint venture's interests, may take actions with which the foreign investor would prefer not to be associated. A useful and productive domestic partner is by definition well-connected in the host country, but the foreign investor needs to know where those linkages lead. Otherwise the foreign mining company may find its project embedded in a matrix, not of laws but of relationships, which a responsible company would normally not find acceptable.

Clearly, there are limits to how effectively we can structure security for our investments within a country. However, there are also external structures available to shore up a country's internal legal and relational shortcomings.

...

Our third priority is to make sure that once we have extensively invested around the world, governments do not decide that foreign ownership and management of resource industries is not in their long term best interest, and reverse the practice of attracting and accommodating us. How can we sustain our welcome over the long term?

I believe that a future-oriented and farsighted evolution may be required in some of our thinking and practices. Let me make three specific suggestions. First, we need to make alliances with other institutions that have credibility around the world. I have already mentioned the possibility of partnerships with multilateral financial institutions and bilateral aid agencies. Other potential allies are global non-government organizations (NGOs) focussed on environment (assuming they are scientifically oriented and not purely political), or on social and economic development, or on particular interests, such as indigenous people. Within countries we need to be clearly allied to the interest of communities in a strong spirit of cooperation with their local institutions. We, as a global wealth-creating industry, need to define our interests and relationships broadly, so as to attract as much sympathy and the support from the worldwide public as possible.

Secondly, we need to articulate and observe the ethical principles that relate to our activities. This is particularly relevant with respect to corruption, human rights and social issues in many developing countries. The ethical challenges confronting business over the next several decades, I believe, are likely to be as demanding on our attention and our ability to respond as environmental challenges have been during the past couple of decades. The current controversy surrounding the actions of Shell in Nigeria is one example of the coming challenges to corporate ethics. It would be useful for those concerned about the long term welcome for mining around the world to study the document recently issued by the Canadian Task Force on the Churches and Corporate Responsibility together with its sister organizations the US Interfaith Center and the UK Ecumenical Centre, entitled "Principles for Global Corporate Responsibility: Benchmarks for Measuring Business Performance". Eventually, global mining companies will need to write down our own global ethical principles, and to hold ourselves accountable to acting in conformity with them.
Thirdly, we need to define our activities in the framework of "sustainable development," a term which conceals many ideas and requires elaboration. The sustainable development movement, which had its origins in the Brundtland report and received impetus at the United Nations Summit on Environment and Development at Rio (1992), has been embraced by a number of governments in Latin America and is slowly winning adherents in Africa. The key theme of sustainable development is utilizing resources today with respect for the needs of future generations. Unfortunately, there are some in the environmental movement who have concluded that mining, as the exploitation of a depleting resource, is essentially incompatible with sustainable development. Equally, unfortunately, there are some in our industry who see in sustainable development only an emblem of the forces antagonistic to mining. We do ourselves a disservice if we reject the notion of sustainable development while a number of governments are attempting to structure their economic and social policies within that framework.

There is no reason for us to feel discomfort with sustainable development, though at times the rhetoric may sound somewhat impractical and abstract. We in fact practice sustainable development by endeavouring to achieve the most efficient and least wasteful level of production, the highest degree of environmental protection and the most equitable distribution of social benefits from our projects. That essentially is the definition of sustainable development: a balanced integration of high quality economic, environmental and social performance.

Let me focus on three aspects of sustainable development, public participation in decision-making, distribution of wealth, and post-mine-closure environmental and social conditions.

First, public consultation. We must listen to the needs, wants, intentions and expectations of all stakeholders affected by our activities, and do our best to accommodate them. Effective public participation must visibly and substantially affect our plans, our project designs, and our actions. The World Bank has recently reviewed some 20 major projects in which it has been involved and has concluded that effective public participation adds about 15% to the decision process cost of a project but results in demonstrably more acceptable, viable and sustainable projects.

Second, wealth distribution. Sustainable development requires that a fair share of the economic benefits of mining go to the "have nots" in local communities and not disproportionately to the "haves" in metropolitan centres. In the traditional model, the government receives revenues from industrial operations such as mines in the form of taxes and then provides social benefits to the population in the vicinity of those operations; but the model does not work well in many developing countries. Too much tax revenue is lost to governmental incompetence and corruption, so that relatively little returns to local communities in any effective manner.

International mining companies have an interest in political stability, which is threatened by inequitable wealth distribution, as well as in broad-based public support. We therefore have an interest in promoting a fair and equitable distribution of the benefits of mining, whether through an effective channelling of taxes to local communities or through company social expenditures, preferably in lieu of taxes.

Third, post-closure environmental and socio-economic conditions. The ultimate question with respect to how mining relates to sustainable development is: What is left behind after the mine closes? Is it a hole in the ground, a road to nowhere and a fading memory of boom times and boom towns? If so, the long term acceptability of the industry in many jurisdictions is questionable.

The mining industry needs to demonstrate that our activities are compatible with wilderness, with rainforests, with biodiversity, with aquatic life, and so forth. We do this by operating and reclaiming our mines in ways that respect and protect those ecological values. Unfortunately, much of the world remains to be convinced, and one failure can hurt us immensely. A consistently high level of environmental performance is absolutely key to our long term acceptability in many jurisdictions.

There is a social as well as an environmental dimension to sustainable development. Here also mining will be judged by what it leaves behind after mines close. Are people in the region around the mine more...
Acacia: An exploration of private sector interest in co-investment

educated and healthier, and thus able to live more productive and satisfying lives, even when the mine which helped bring about those improvements is no longer operating? Are businesses which got their start in response to the opportunity offered by the mine able to sustain themselves through other markets and customers after the mine closes? Can the physical infrastructure which was developed to support the mine be put to other economically beneficial uses? We must demonstrate that the legacy of mining consists of sustainable social and economic improvements.

The global mining industry is gradually coming to terms with the sustainable development agenda. The International Council on Metals and the Environment (ICME), representing 27 leading mining companies around the world, has subscribed to a Charter of Environmental Principles which is consistent with sustainable development. In June 1994, the ICME together with the World Bank and UN Conference on Trade and Development (UNCTAD) jointly sponsored a three day conference in Washington, DC on mining, environment and development, which was attended by many representatives of governments in Latin America, Africa and Asia. Currently, the World Bank is considering convening a Round Table on sustainable development and mining in the Central American and Caribbean region. Also, a South American regional summit on sustainable development and mining is scheduled for La Paz in November 1996.

Let me rapidly summarize. We have gained entry to much of the world that was formally closed off to us. We have options to choose from in establishing a measure of security for our investments. The question is whether we can sustain our long term welcome around the world. Ultimately we will be judged by the quality of our performance, not only technically and economically, but environmentally, socially and ethically as well. The mining industry has the capacity to influence the world's judgment and sustain our welcome over the long term. The question is whether we have the collective inspiration and will to do so.

Placer Dome Acquires 50% of One of World's Largest Gold Reserves
News release
November 30, 1998

Vancouver, Canada - Placer Dome Inc. announces it has reached agreement with Western Areas Limited of Johannesburg, to form a 50:50 joint venture which will develop and operate South Deep, the largest undeveloped gold deposit on South Africa's Witwatersrand, and operate Western Areas’ adjacent existing operation. Placer Dome will manage the joint venture.

The property contains an ore reserve of 59 million ozs. of gold, of which South Deep accounts for 52 million ozs. A twin-shaft system to develop South Deep has been sunk to 2,000 metres (6,500 ft.) of its ultimate depth of 3,000 metres (9,800 ft.) below surface. The estimated cost for its completion is US$300 million.

The acquisition will double Placer Dome’s ore reserves to 60 million ozs., and generate immediate additional cash flow for the Corporation from a long-life project. It also provides strategic entry into Africa and the world’s largest gold producing region.

To acquire its 50% interest, Placer Dome will pay Western Areas a cash consideration of US$235 million, funded from the Corporation’s cash balances, and make further payments to Western Areas of 1.75% on 50% of annual production for the life of the mine, plus an additional 1.75% on 50% of annual production exceeding 1 million ozs.

Western Areas’ current plans indicate that when South Deep commences commercial production in 2002, Placer Dome’s share of production from the property will be 375,000 ozs. per year at a cash production cost of US$185/oz, and a total cost of US$215/oz. Until that time, the existing operation will contribute at an average rate of 300,000 ozs. of gold to Placer Dome’s share of production at an average cash production cost of US$200/oz. This production will provide most of Placer Dome’s cash requirement for its share of the completion cost of the South Deep project.
Placer Dome now estimates it will produce 2.9 million ozs. of gold in 1999 at an average cash production cost of US$170/oz., and an average of more than 2.8 million ozs. at a cash cost of US$180/oz. in the years 2000 to 2002.

Western Areas estimates that the property has proven and probable reserves of 235 million tonnes of ore grading 7.8 grams of gold per tonne, containing 59 million ozs., calculated according to the Australasian Code for estimating reserves and resources, and at a gold price of US$260/oz.

Mining will be by a combination of mechanized and conventional methods at depths between 2,400 metres and 3,400 metres below surface. A majority of the South Deep reserves are suitable for mechanized bulk mining.

The transaction is subject to 60-day due diligence by Placer Dome, the signing of definitive agreements, and to Western Areas shareholder and regulatory approval, and is expected to close in the first quarter of 1999. Placer Dome has received irrevocable undertakings from approximately 49% of Western Areas shareholders to vote in favour of the transaction. On closing, Placer Dome will immediately undertake an optimization study for the property, aimed at developing the most effective means for managing the mine, improving mine gold recovery and production, and developing South Deep.

John Willson, President and Chief Executive Officer, said: “To become The Earth’s Gold Leader, it is logical we take a position in a country with a great gold mining tradition and great gold resources. The project fits Placer Dome’s strategic focus on quality ounces. We are excited about taking on this investment leadership role in South Africa and we are encouraged by the welcome we have received from the government, labour and business.

“Our partnership will fully unlock the value of this large, long-life deposit. The project will receive the full benefit of Placer Dome’s global resources and its focus on sustainable development. We are looking forward to merging Placer Dome’s global mining experience with Western Areas’ South African mining skills to form a winning combination.”

Excerpts from
“Challenges for mine development in the coming decade”
Presentation by Ian G. Austin Senior Vice-President and Chief Financial Officer, Placer Dome, Inc.
Mining Finance Forum May 14, 1997 Singapore

Points of special relevance to this study are emphasised in bold. Major sections, considered less relevant to this study were omitted (indicated by “…”).

I am delighted to have the opportunity to participate in the Mining Finance Forum, and to begin the formal programme with a look at the challenges that we who find, build and operate mines will face in the coming decade.

From the title of my presentation it will be apparent that my task this morning requires me to be forward-looking. This inevitably entails risk, and on such occasions I am always struck by how dangerous forecasting can be. But I don't mind being a sacrificial lamb for a good cause and an audience of this stature. Besides, I can at least take heart that I wasn't invited here to try to predict the gold price!

Of course if it weren't for change, we'd have no need to anticipate the future since it wouldn't be any different from the status quo. But the reality is that the mining industry continues to undergo increasingly rapid and far-reaching change -- although it is different from the kind of technological transformation that has taken place since our Dome Mine began operations in the early part of this century.
The next transformation will be of equal magnitude to what we have experienced in the past, but it is on a completely different level from the technological advances we enjoy today. It relates to where we will build the mines of the next decade, and to the relationships we will need to build with the countries and communities that will host them.

My presentation today will address these trends. I will begin with a discussion of the demand for metals. Then I will focus on the globalization of mineral exploration, the broader range of challenges mine developers will face, and the ways in which capital will be raised for new projects.

Many of the discoveries made in future are likely to be located in parts of the world with little or no modern mining tradition. Conditions in such countries will be unfamiliar to some and challenging for all.

But I believe there should be no shortage of capital for new mine developments in these areas -- so long as they are sponsored by companies able to deal with the emerging challenges. To do so, we in mine management must bring different ways of thinking to political, social and environmental issues in these newly-accessible regions. Lenders and investors also need to understand that a commitment to social and economic development is vital to our mutual success.

I should stress at the outset that my perspective is based largely on the experience and activities of Placer Dome.

As a long-established and geographically diversified corporation, we have a global perspective, a wealth of experience and heavy involvement in all aspects of mining from exploration, through construction and operations, to closure and reclamation.

We currently operate 17 mines in 5 countries, producing primarily gold, but also copper, silver and molybdenum.

... Political risk will undoubtedly have a major impact on where exploration expenditures actually go. There is an illusion prevalent today, not the least among exploration geologists, that almost all nations are opening up to foreign mining investment, having recognized the negative consequences of socialism, and nationalistic ownership and control of mineral resources. But in this enthusiasm, I believe there is a tendency to be too optimistic about how much of this kind of change has actually occurred and how widespread it is.

To be sure, considerable progress has recently been made in a number of nations in South America, Africa and Asia in redrafting laws and regulations so as to encourage investment in mineral exploration and eventual mine development.

The greatest progress has been made by those Latin America countries that have replicated the Chilean model for investment in mining. Chile, of course, has been so successful in this regard that its mining industry attracted $3.5 billion of foreign investment in 1994 and 1995.

In many countries, however, the political will behind the effort to attract investment in mining is shallow. The laws may have been changed and the official message to the world may have been revised. But the mindset often remains the same. The bureaucratic system, the decision-making practices of officials, and in many countries the rampant corruption, may put some investments in exploration at considerable risk. Large-scale investment in such countries is likely to be restrained as a result.

Therefore, I believe a safe prediction for the next ten years is that the heady enthusiasm for new places which is driving exploration today will dissipate to some extent. In its place, frustrations will mount from expectations not being met, intentions not being understood, and contracts not being honoured.
For purposes of my hypothetical discussion, let us now assume we have made a significant discovery in one of the regions I've mentioned. The question becomes, "Can we build a mine here and keep it operating?"

At this stage, we need to be concerned with such issues as security of title, developmental rights and taxation. We also need to know whether profit can be patriated, what is the risk of expropriation or that civil violence will interrupt production, and what is the potential for impediments to official operations.

I don't have enough time to talk about the various internal and external measures available to protect mine developers from such risks. Suffice it to say none is inviolable. I will confine my remarks to what I believe to be the absolute best protection one can have for a mining project in the developing world, and that is strong community and government support.

The reality for every major mine operator in such regions, is that never-ending attention must be paid to complex political and social challenges. This is particularly true in countries where governments lack the capacity, or the will, to translate the revenues captured from mining into a steady stream of social and economic benefits for the population.

The practice of mines making social investments in their immediate vicinity is long established and we have many examples within Placer Dome. But traditionally this has meant schools, hospitals, and recreational facilities intended primarily for employees.

The new phenomenon is the extension of those social expenditures to a much larger area and population group. In this, mines take on the responsibility themselves of translating their industrial investment into sustainable social and economic development for a significant part of the country.

At Placer Dome, we are now struggling with the issue of how can mines fit the framework of "sustainable development" -- by which we mean a balanced integration of continuing economic, social and environmental improvement.

Sustainable development is the number one challenge facing mining in the developing areas of the world today. There is a real risk that if multinational mining companies fail to meet this challenge, the pendulum will swing against foreign investment in mining in the developing world.

How can mining companies respond to this challenge? First, we need allies, organizations that share our vision. An obvious candidate would be a developmental aid agency. Currently, Placer Dome is exploring such an alliance with CIDA (Canadian International Development Agency) for its Las Cristinas project in Venezuela. The vision is to engage CIDA in a partnership with Canadian NGOs and possibly development-oriented businesses.

The goal is to place responsibility for social and economic development around the mine in the hands of local institutions with foreign aid linkages, which will have the potential for continuing their activity long after the mine closes.

Secondly, we need to engage the community effectively in all decisions which affect them. To use the much-worn jargon, we need to empower the community. How do we do this?

At our Misima mine in Papua New Guinea, we have provided the services of a PNG-based consulting group. Our intention is to strengthen Misimas' ability to communicate to us their real needs, wants, intentions and expectations, especially in connection with the eventual closing of the mine, so that we can respond more effectively.

At Porgera, we are establishing a multi stakeholder committee to monitor the mine's environmental impact. Again, this structure is intended to enable the mine to hear community concerns more clearly and to act on them, as well as to integrate community suggestions and demands into mine planning.
These are only two examples of how Placer Dome is responding to the challenge of sustainable development. Needless to say, they represent our cutting edge on the issue. We believe that progress in this direction will be a key to gaining access to new ore bodies in the future, and to developing mines that are successful not only for shareholders, but for all stakeholders, particularly local communities.

So having made our hypothetical discovery, and assuming we have confirmed our right to own and develop it, we are now working with government and communities towards a sustainable flow of benefits to the people and government of the host country.

If we have done all of these things, it is my belief that financing will be available for our project. Let us now consider some of the ways the funds will come, and how these avenues are changing. I will focus on three financing options: equity, debt and a rather new alternative, the capital markets.

... 

To conclude, then, lenders and investors need to understand that the most effective insurance against political risk is strong community and government support of the mining enterprise. Therefore, lenders should look for and require of mining companies a commitment to sustainable development and a strategy for achieving it.

What we are seeing in all areas of financing and political risk insurance is a growing sophistication in the markets and in investors. This leads me to conclude that it will not be a lack of capital which will limit the pace and locale of the expansion of mining over the next ten years.

For companies with the qualities I have described, there will be no shortage of financing available during the coming decade. The projects of such mining companies will be in high demand by potential lenders, and so the developers may have the advantage of being able to source capital at a lower cost.

The only question lenders and investors need be concerned about is: how many such companies will there be?
Overview

SNC-Lavalin (SNC-Lavalin Inc., its subsidiaries and affiliates) is one of the leading engineering and construction firms in the world, and a key player in the ownership and management of infrastructures. The company provides engineering, procurement, construction, project management and project financing services to a variety of industry sectors, including chemicals and petroleum, mining and metallurgy, pharmaceuticals, agrifood, infrastructure and buildings, power, mass transit, environment, defence and telecommunications.

SNC-Lavalin has been active internationally for nearly 40 years and has built a network that spans every continent. The company combines first-hand knowledge of diverse geographical regions with respect for the cultures and customs of the countries in which it works. Its workforce is located in offices across Canada and in about 30 other countries, and is currently engaged in projects in approximately 100 countries. SNC-Lavalin's business units worldwide are autonomous and have access to the global resources needed to assume total responsibility for every aspect of a project, on a fee-for-services, turnkey or concession basis, on its own or in partnership.

The financing branches of SNC-Lavalin (Capital, Equity and Assurance) optimize the company's position within the growing sphere of BOOT (build-own-operate-transfer) and public/private partnerships. SNC-Lavalin Capital arranges financing for the company's projects in and outside Canada, as well as for third parties; SNC-Lavalin Equity invests SNC-Lavalin's funds and manages its participation in special-purpose companies; SNC-Lavalin Assurance selectively takes minority participation in risk insurance for the

A study for the International Development Research Centre conducted by Ibex Consulting – Final report (March 2000)
CONFIDENTIAL TO THE CLIENT
company's own projects. Together and separately, these sources of financial expertise provide worldwide financing solutions to all SNC-Lavalin's business units, from traditional export credit and foreign component commercial credits to full ownership and turnkey project financing.

In addition to various tools such as powerful CADD and 3D modeling technology, SNC-Lavalin has set the pace for technical innovation in engineering design and implementation with its multi-purpose Project Management System (PM+). This interactive computer technology can be used to define, plan, monitor, and control engineering, procurement, and construction of projects of any type, size or complexity. SNC-Lavalin maintains exceptionally high standards for safety, quality and environmental protection and is committed to delivering projects within cost and on schedule. The majority of SNC-Lavalin's business units are ISO 9001 certified.

SNC-Lavalin's strategy for sustained growth is anchored on the development of world-class products, on its far-reaching international network and on expanding its financing capabilities. It is built on a synergy of experience, innovation and vision which allows the company to maintain and strengthen its core business, to develop new skills and activities and to respond to the changing needs of clients and markets.

SNC-Lavalin International Inc.
Country: Ivory Coast
Address: 08 B.P. 29, Abidjan 08
Telephone: (255) 41 14 23
Fax: (255) 42 44 44
Contact: Roland Arsenault
E-mail: arser2@snc-lavalin.com

Description:
This representative office helps SNC-Lavalin seize business opportunities abroad and stay abreast of global trends. It also represents the Company at industry meetings, conferences, trade shows and other events in international markets.

Sector(s) of activity:
Sandwell International Inc.

http://www.sandwell.com
Suite 1666 - 666 Burrard Street
Vancouver, British Columbia V6C 2X8
Tel: (604) 684-0055
Fax: (604) 684-7533

OFFICERS – Corporate Office
Alan Pyatt, Chairman, President and Chief Executive Officer
Bruce C. Beveridge, Vice President and General Manager, Canada Operations
John C. Bruce, Vice President, Transportation
Kenneth A. Elmore, Vice President and General Manager, International Operations
Jon Ferguson, Vice President and General Manager, U.S. Operations

About Sandwell

More than 80 countries around the world are home to Sandwell projects. From Argentina to the Canadian and Russian arctic, from the United States to Australia, completed projects in process industries, transportation, power, petroleum, manufacturing, and general building have earned Sandwell an international reputation for innovative, cost-effective solutions to engineering challenges.

That reputation rests not only on the successful completion of over 25,000 projects worldwide, but on an advantageous blend of expertise from two different fields: heavy industry and transportation. Founded in 1948 in Vancouver, Canada, Sandwell made its name in the North American pulp and paper industry, entering the U.S. market in the mid-fifties. In 1986, it merged with long-time affiliate Swan Wooster Engineering Co. Ltd. Since its inception in 1925, Swan Wooster had built a world-class reputation in the transportation field, with an emphasis on the transport of bulk materials by road, ship and rail. The merger enabled Sandwell to offer an integrated "total system" service to clients, of growing value in an era when falling trade barriers invite companies to compete in markets around the world.

Our clients include some of the foremost companies in their fields, and our capacity to stay abreast of changing technologies in the pulp and paper, energy, and transportation fields, as evidenced by numerous "firsts" among our completed projects, assists them to retain their competitive advantage. Our specialists use state-of-the-art technology to design functional, cost-effective structures.

As an acknowledged industry leader, Sandwell is successful in both recruiting and retaining the services of a talented, motivated corps of professionals. Our workforce includes engineers, economists, planners, designers, technicians, construction specialists, and support staff.

Sandwell recognizes the importance of safety and of ergonomics in providing engineering services for project facilities and in the workplace, and strives to achieve healthy and safe working environments.

From offices in North America and Asia, we offer a full range of engineering, project management and consulting services. Sandwell is headquartered in Vancouver, BC

Our objective on every assignment is to deliver, on time and on budget, integrated solutions that will fully satisfy each client's specific needs and that will maximize capital effectiveness.

Services

Strategic planning and conceptual studies
Feasibility and economic studies

A study for the International Development Research Centre conducted by Ibex Consulting – Final report (March 2000)
CONFIDENTIAL TO THE CLIENT
Operations analysis
Detailed design engineering
Project management
Construction management
Start-up, commissioning, and training
Overview

Hatch Associates is a leading international consulting, engineering, information systems, project and construction management organization.

Headquartered near Toronto, Canada, the units and affiliates of the Hatch Group provide a full range of technology driven, value-adding solutions and services to clients in the mining, minerals, metals, manufacturing, infrastructure and energy sectors through a network of 40 permanent offices worldwide. Programs and projects under management have an aggregate value in excess of $9.5 billion.

Hatch was the first major engineering firm in North America to have its management systems certified on ISO 9001-94 standards, and was named in 1996, 1997 and 1998 as one of the 50 Best Managed Private Companies in Canada.

Hatch works with senior management to plan and execute projects involving the scale-up of process technology, implementation of new innovations, and follow-through with engineering, project and construction management, and start-up.

Hatch Beddows, our consulting group supports senior industrial management in their strategy development; search for, assessment and implementation of new technologies; development of significant productivity improvements; and major cost reductions. Hatch also provides broadly based due diligence services to the financial services sector around the world.

Hatch’s process group undertakes feasibility studies, new-process development, pilot plant assessments, process design, environmental control projects and start-up of major industrial facilities. The process group consists of chemical, metallurgical, environmental and mining engineers with extensive research, development and operating experience. The majority of the group’s professionals have advanced degrees in their fields.

Hatch’s design group is responsible for the engineering of projects, and includes civil, structural, mechanical, electrical, instrumentation and piping engineers. Model building and computerized process control and automation are also major disciplines within Hatch.

Hatch’s project and construction management (P&CM) group is managed by our most senior personnel, who have a great depth of practical experience gained from hundreds of successful major projects across Canada and overseas. The PM&C group provides leadership on all matters related to construction, schedule management, cost control, design improvements, constructability issues, labour relations and safety.

Hatch Beddows' Systems group has extensive experience designing and installing Manufacturing Execution Systems (MES) and Enterprise Resource Planning (ERP) Systems to provide better decision-making, precise production planning and complete transaction control.

Hatch is organized into business units to provide in-depth expertise to our clients. The units are designated Non-Ferrous, Light Metals, Advanced Systems, Iron and Steel, Industrial Minerals, Mining and Mineral
Processing, Consulting to Management, Hatch Mott MacDonald (transportation infrastructure and facilities), and Pharmaplan Hatch (pharmaceutical and biotechnology process and facilities).

**Hatch Value System**

Our Clients
Clients' projects are our first priority. We strive to exceed all performance expectations. We work to earn our clients' respect and to develop and maintain a spirit of mutual trust.

Technical Excellence
We believe that we best serve our clients by providing high quality, innovative, technically advanced and comprehensive services.

Continuous Innovation
Continuous improvement and innovation are central to how we serve our clients.

Our Staff
We value each member of our staff and maintain a climate of openness, while encouraging professional and personal development.

Community Commitment
We live and work in a larger community. As individuals and as a company, we support our local communities and professional societies.

**The Hatch Group**

The Hatch Group of mining and metallurgy consultants, designers, engineers, process developers, project managers and construction managers includes the following business divisions:

- **Beddows Hatch**
  (strategic, financial and operations management consulting) London, Toronto, Pittsburgh, Singapore

- **Hatch Africa**
  Johannesberg and Richards Bay, South Africa.

- **Hatch Asia**
  Singapore, Shanghai, Manila, Kuala Lumpur

- **Hatch Associates**
  North America, South America, Europe, South Africa, Australia and South East Asia

- **Hatch Australia**
  Brisbane, Melbourne, Newcastle, Perth, Sydney, Townsville, Whyalla, and Wollongong.

- **Hatch Mott MacDonald**
  (North American, transportation infrastructure) Toronto, Boston MA, Calgary, Montreal, Bellevue WA, Monroeville PA, Pleasanton CA, New York

- **Pharmaplan Hatch**
  (North America consulting and design for pharmaceutical and biotechnology companies) Philadelphia

- **Steltech**

A study for the International Development Research Centre conducted by Ibex Consulting – Final report (March 2000)

CONFIDENTIAL TO THE CLIENT
Message From The President  
(from 1999 Annual Report)

This has been a year of significant change and high levels of activity for Hatch. All business units have been focussed on challenging opportunities around the world and across each of our traditional market segments.

The vast majority of our clients are faced with shrinking markets, reduced financial resources and a corresponding need to lower unit costs with cutting-edge processes and technologies, so they can increase productivity and reduce any potentially negative impact on their environments.

In the meantime, to be better prepared for these opportunities, Hatch has continued to expand to a full spectrum of services. Early in the year we strengthened our Information Technology services with SAP computer-system integration experts, IMS in South Africa, and immediately began to expand our IMS Hatch offices around the world to satisfy the growing demand for SAP applications.

We also merged our pharmaceutical-facility design specialists with Pharmaplan GmbH of Germany, to form Pharmaplan Hatch, based in Philadelphia, and made immediate inroads into the pharmaceutical and biotechnology industries with several new projects.

Later in our fiscal year, we merged our global engineering business with Rescan Engineering Vancouver. The Rescan merger immediately gives Hatch a solid base on the Pacific basin for a global business unit focussed on the world’s mining and mineral processing industries.

At the same time, Hatch merged its Consulting to Management business unit with one of the world’s foremost strategic consulting firms, Beddows & Company, with offices in London, Pittsburgh and Singapore. Beddows & Company has an excellent reputation in the mining and metals industries. The combined consulting business will be known as Beddows & Company Hatch Management and Technology Consulting.

Meanwhile, important client projects for the Hatch Group of companies, such as the Barrick Goldstrike project in Nevada, the Chaparral steelmaking facility in Virginia, and our continuing important projects with QIT and QMP in Québec and South Africa, employed the best of our engineering, project management and construction services on behalf of our clients, pushed fees and technology sales to record levels, and saw growth to more than 2300 employees during the year.

Finally, the board would like to recognize the outstanding business results at HATCH Africa and Hatch Mott MacDonald in 1998.

Ron Nolan  
President and CEO
Hatch implements SAP in South Africa

Hatch implements SAP R/3 at Amplats HATCH recently assisted Amplats in South Africa with the implementation of a SAP R/3 integrated business system.

The project team achieved a milestone in March, with the system going live simultaneously at the Waterval Smelter and the precious metal refinery as planned. The Rustenburg base metals refinery has been live since July 1998. The SAP R/3 implementation project within the Amplats Process division has now been successfully concluded.

The scope of the implementation included all the SAP R/3 logistics, financial and human resources modules. Hatch was responsible for the production planning function.

The system will provide real business benefits as a result of re-engineered business processes, organizational changes and improved software functionality. Amplats will use the system for strategic business purposes, cost reductions and improved productivity.

The total cost of the project, including hardware, software and consulting services, was R85 million ($21 million Canadian). Amplats is the world’s leading primary producer of platinum and other platinum group metals. In 1998, Amplats produced 1,894,800 ounces of refined platinum, approximately 38 per cent of total worldwide production.

Forty-one per cent of the product is used in the fabrication of jewellery. The projected savings are R200 million ($50 million Canadian) in the next 10 years.
Acacia: An exploration of private sector interest in co-investment

Stantec Consulting Ltd.
http://www.stantec.com
Stantec provides full lifecycle solutions to infrastructure and facilities projects through value-added professional services and technologies, combining global experience and skills in management, planning, design, and implementation. Services are offered through more than 40 locations primarily in North America.

HEAD OFFICE
Stantec Consulting Ltd.
200, 10160 - 112 Street
Edmonton, Alberta T5K 2L6
Tel: (780) 917-7000 Fax: (780) 917-7330
Email: corp@stantec.com website: http://www.stantec.com

Senior Management
Ron Triffo, Chairman
Tony Franceschini, President
Bob Kavanagh, Vice President, Practice Management & Enhancement
Barry Lester, Vice President & COO, Canada West
Ray Alarie, Vice President & COO, Canada Central
Malcolm Gibbons, Vice President & COO, International
Don Hickey, Sr. Vice President, Buildings
Jack Fujino, Sr. Vice President, Environment
Ben Novak, Sr. Vice President, Industrial
Matt Karan, Sr. Vice President, Management Systems
Chris Van Bussel, Sr. Vice President, Urban Land

Corporate Profile

Services are offered in the six principal market segments of Environment, Buildings, Transportation, Industrial, Urban Land, and Management Systems:

Environment combines environmental engineering and management expertise in water and wastewater treatment facilities, water resources and stormwater control, municipal infrastructure, environmental monitoring, air quality, biological nutrient removal and solid waste management. Service specialties include integrated infrastructure management and utility billing systems.

Buildings specializes in structural, mechanical and electrical engineering, interior design and project/construction management for the design of commercial, industrial and institutional facilities. Service specialties include computer aided facilities management, performance engineering and interior air quality monitoring.

Transportation provides planning, engineering and project management services for all transportation modes and facilities, including transportation demand management, traffic impact studies, highways, urban roadways, bridges, rail, transit, parking, airports and aviation services.

Industrial provides scientific, planning, engineering, construction, and project management services to the energy, resource, agro-industrial, and high-technology sectors. Areas of expertise include forestry, food processing, power generation, utilities, mining and manufacturing. Special services include occupational health & safety and ventilation systems for ferrous/non-ferrous industries.
Urban Land provides planning, urban design, engineering, legal surveying, stormwater management, project management, and landscape architecture services to the land development and real estate industry and selected government agencies; as well as site development for commercial and institutional facilities.

Management Systems comprises two distinct services - Infrastructure Management and Facility Management - with the same objective, managing a client's infrastructure or building assets through the strategic application of information technology. Infrastructure Management specializes in the design, development and implementation of integrated infrastructure/asset management systems and work management applications for pavements, water, wastewater, stormwater, bridges, right-of-way features, utilities and other assets, including data collection & conversion, database building, performance modeling and budget optimization. Facility Management allows building owners and managers the ability to keep track of critical information to better operate their facilities. Utilizing information technology we integrate graphic and textual information about a facility or multiple facilities owned by the same client. Services include Strategic Planning, Space Planning, Property and Lease Management, Asset Management, Move Management, Maintenance Management.

**Stantec lands Africa water project**

27 March 2000, Toronto ON - Stantec gets African water supply project - [Stantec] has landed a contract for design review and construction supervision on a $17.5-million (US) district water supply project in Malawi. The contract is the company’s second major assignment in the east African country. The two-year project encompasses expansion and rehabilitation of potable water systems in 13 centres in the country, which has a population of over 10 million. The system will be designed to meet demand to 2010. "Clearly, this is an important contract for the country of Malawi," said Stantec president Tony Franceschini. "We're very pleased to have the opportunity to play this key role in addressing one of Africa's major issues—water supply."...Franceschini said Stantec has been involved in about a dozen projects in the past decade in the southern, central and eastern areas of Africa.
Annex 7: Report on meeting 99-09-23, Canadian Advanced Technology Alliance
388 Albert St., Ottawa

Participants
- John Reid, President, CATA Alliance [formerly the Canadian Advanced Technology Association]
- Grant Thomas, Acacia Initiative, IDRC
- Ezra Miller, Principal, Ibex Consulting [contractor to IDRC]

Objective(s)
The ostensible objective was to seek CATA's assistance in identifying member companies that have an interest in business in Africa. However, the discussion quickly focused on how and where the strategic interests of IDRC and CATA coincide and what could be done about this.

Discussion
- A brief overview of IDRC's work and, more specifically, that of the Acacia Initiative, were provided.
- John Reid immediately recognised the potential for an alliance with IDRC noting how work with Acacia could fit in nicely with CATA members' marketing strategies. (John noted that his son is currently in Malawi on a WUSC project and so has some familiarity with development in Africa.) He suggested that within CATA's website, an "Acacia corridor" be created to provide a link between CATA and Acacia for information purposes. He asked that IDRC cover the cost of approximately $5k to do this.
- John noted that CATA members are very export driven - a characteristic that would potentially make for a good "fit" with IDRC/Acacia.
- John also mentioned that the 15th annual CATA conference would be held in Washington, D.C. in June 2000. This could provide an opportunity to highlight IDRC. The opportunity for linkages with the World Bank and other development agencies also presents itself.
- Insofar as John is a former President of the Mining Association of Canada (MAC) his views were sought on how to explore strategic partnerships through that organisation. He encouraged us to seek a meeting with Gordon Peeling, President of the MAC.

Conclusions
- CATA, through John Reid, is interested in working with IDRC/Acacia. The first step will be to create the appropriate linkages - a "corridor" - connecting the CATA and IDRC/Acacia websites.
- The potential for co-operation on the June 2000 Washington, D.C. meeting is there and need further exploration.
Annex 8: Report on meeting 99-10-01, Mining Association of Canada (MAC)
350 Sparks St., Ottawa

Participants
- Gordon R. Peeling, President and CEO, MAC
- Dan Paszkowski, VP, Economic Affairs, MAC
- Grant Thomas, Acacia Initiative, IDRC
- Ezra Miller, Principal, Ibex Consulting [contractor to IDRC]

Objective(s)
- To brief MAC on IDRC and the Acacia initiative;
- In following-up on the meeting with John Reid of CATA, to seek MAC's participation in efforts to raise the visibility of Acacia within the mining industry as a vehicle for creating goodwill and enhancing corporate profile.

Discussion
- Grant Thomas and Ezra Miller provided a brief overview of IDRC's work and, more specifically, that of the Acacia Initiative. Grant mentioned his personal experience in working for Gulf Oil in West Africa and how the oil firm worked with local communities. Gordon Peeling acknowledged the value of such activity and indicated that some mining firms have themselves undertaken such efforts. He also noted, however, that MAC members tend to split along the lines of their specific interests. He provided the example of IDRC's Mining Policy Research Initiative where MAC informed its membership of IDRC's interest in consulting with the industry and those companies that were interested followed-up directly with IDRC.
- Gordon suggested a similar approach with respect to Acacia. Much of the rest of the meeting thus focused on identifying which Canadian mining companies have interests in Africa and whom to contact within these companies. This resulted in the following list of suggested contacts:

  **Key Canadian mining companies active in Africa:**
  1. Placer Dome, Vancouver (Jim Cooney, who has responsibility for social assessment)
  2. Barrick Gold (Jim McDona, VP Environment; John Carrington, COO)
  3. Falconbridge (Bob Teluiac)
  4. Noranda (Dave Roadier, VP Environment) [note that Noranda has pulled out of Zambia copper mines and may therefore not have any further African interests.]
  5. Pangea Gold - not a member of MAC - try PDAC

  **Other associations that might be helpful:**
  6. Prospectors and Developers Association of Canada (PDAC) - Tony Andrews [he was involved in MPRI]
  7. Canadian Aboriginal Mining Association: Mr. Hans Matthews, President, Canadian Aboriginal Minerals Association, P.O. Box 953, 235 Meadowood Lane, Capreol, Ontario POM 1HO; Phone 705: 858-8217 Fax 416: 947-8956; email: hans.matthews@sympatico.ca

  **Other individuals with knowledge of Canadian mining operations in Africa who might be useful contacts:**
  8. Prof. Ian Thomson, 1628 W. 66th Avenue, Vancouver B.C. V6P 2S2; Phone and Fax: (604) 266-3731 (email not known)

- In March 2000, MAC will hold its "Mining Millennium" event in Toronto. This will likely coincide with a Mining ministers conference and may provide an opportunity to highlight IDRC initiatives to the mining industry. Tony Andrews is organising the event. The MAC Annual Conference will be held next June 20-21 in Québec City.
- Gordon suggested IDRC/Acacia develop a proposal for consideration by the appropriate MAC committees: International, Environment, and Public Relations. MAC supports initiatives, for example, in research into metals.
and the environment and aquatic effects evaluation technology. Perhaps develop a proposal along the lines Minister Goodale's effort with respect to best practices in aboriginal communities. Some of the lessons learned from this might be transferable to Africa. However, it was also noted that
(a) There is some thinking that the Canadian aboriginal experience has little applicability to Africa, that
(b) Some of the corporate players only have operations in Canada and that
(c) Overall, there was not as much mining interest in Africa as there is, say, in South America.
• However, community-based initiatives are valued by the mining industry as they can help create goodwill and credibility.
• It was noted that the mining industry is currently in a slump with copper, nickel and zinc prices down significantly for a long period. The result has been a great deal of downsizing and consolidation in the industry. [For example Sutton Resources was bought out by Barrick Gold.] There is some hope that rising gold prices will represent an improving trend overall.

Conclusions
It is likely that the opportunity to forge strategic partnerships between Acacia and Canadian mining companies is limited to a few companies. Nonetheless, contacts in those companies should be pursued. Consultation through the mentioned MAC committees might also lead to co-operation in various ways. Also, there is a clear need to raise the profile of IDRC and its various programs within the industry.
Annex 9: Report on meeting 99-12-16 at Association of Consulting Engineers of Canada (ACEC)
130 Albert St., Suite 616

Participants
- Hélène Schneider, Manager, International Division, ACEC
- Grant Thomas, Acacia Initiative, IDRC
- Ezra Miller, Principal, Ibex Consulting [contractor to IDRC]

Objective(s)
- To brief ACEC on IDRC and the Acacia initiative;
- To seek ACEC assistance in recruiting consulting engineering firms to be co-investment partners for Acacia.

Discussion
Grant Thomas provided a brief overview of IDRC’s work and, more specifically, that of the Acacia Initiative. In particular, Grant mentioned:
- The capacity-building aspects of Acacia;
- Acacia was launched with funding of $8 million
- Focus of Acacia has been on pilot projects, promotion of best practices and co-investment, and understanding of affordable technology;
- Initially, Acacia is operating in four "reference" countries: Senegal, South Africa, Mozambique, and Uganda. There is demand for similar initiatives in other countries;
- Commitment to rural communities (which encompass ~80% of the sub-Saharan population);
- Acacia to help determine subject areas with the greatest needs - education? E-commerce? Health?
- The program is creating a great deal of goodwill in Africa, from African leaders.

Members of the ACEC International Division pay an extra fee for marketing information and lobbying services they receive from the Association. ACEC also has an International Committee made up of members that sets priorities for the Division. There are also working groups, which deal with specific issues such as project financing, taxation etc. An on-going CIDA sub-committee is to be created.

ACEC will have the results of corporate profiles, including regions of activity in February. ACEC also produces a business survey, which includes information on company revenues - this will be made available to Thomas/Miller.

Ms. Schneider acknowledged the value, albeit see as an intangible investment, of goodwill. As Acacia projects take shape - with more specifics - it might be easier to attract attention of engineering consulting firms.

Many ACEC members are also members of the Alliance of Manufacturers and Exporters of Canada.

The ACEC Annual Meeting is in May, this year, in Niagara Falls, and to be held in conjunction with the American consulting engineering association. There is a great deal of focus on business opportunities in the US. However, there may be interest in the partnership (in Africa) issue. There is some co-operation with engineering associations in other countries. John Richie of Acres International, who is the ACEC Vice-President, International, is involved in an international federation of consulting engineering firms interested in capacity building.

Conclusions
Mild ACEC interest; may be helpful in identifying a few firms.
Annex 10 – Letter sent to six companies  
(two mining companies, four consulting engineering companies)

Over the past two years, the Acacia Initiative of the International Development Research Centre has developed a high profile in Africa and has generated considerable respect in the eyes of African leaders and the international development community, for example the World Bank and the agencies of the United Nations. This letter is to seek your views, as a Canadian mining industry executive with experience in African projects, with respect to possible mining industry interest in becoming involved in supporting Acacia.

Acacia is working with African governments, African companies and local communities to expand their access to information and communication technologies and solutions.

We are interested in finding ways in which we can expand the work of Acacia, in partnership with the private sector, which will bring benefits to the private sector, yet still serve the economic and social development goals of Acacia.

Joint venture projects are clearly one way. In this regard, we are working with several firms in the information technology sector such as Nortel Networks, Newbridge, AGRA Spectrocan and Price Waterhouse Coopers. We would also like to engage participation from firms not specifically in the IT sector which are interested in establishing socially responsible good will in Africa and building relationships with the leaders of this emerging new market.

Contributions would be used to support projects related to
- Education programs and schoolnets
- Tele-health projects
- Rural telecentre implementation
- Geomatics and
- Human resource development.

It is the objective of these sorts of programs to ensure that Africans have access to the global information economy and to improve the accessibility of Africa for new and critically needed services.

In contributing to this program, private sector firms will be closely identified with a highly respected, socially responsible Canadian program that is developing a significant profile in the highest levels of government and amongst the international funders of African development. Contributors will benefit from the considerable body of knowledge that IDRC has accumulated during the twenty years that it has maintained offices in the region and worked to build research capacity in Africa.

Basically, we would like your reaction to this:

- Is your firm currently involved in business undertakings in sub-Saharan Africa or are you planning to expand into markets in this region in the near future?
- Would your firm find it beneficial, for your business strategy, to contribute cash or in-kind, to development related projects as a demonstration of your good corporate citizenship and of your firm's commitment to Africa and African development?

IDRC-Acacia would appreciate your reaction and suggestions as to how best to create a vehicle by which Canadian firms could join this highly successful Canadian initiative as a means to improve their corporate profiles and goodwill in Africa.
Mr. Ezra R. Miller, of Ibex Consulting in Ottawa, is under contract to IDRC to obtain feedback on this idea which he will use to formulate advice to IDRC. He will contact you shortly or you can contact him directly by phone (613-569-3562) or email (ezra.miller@sympatico.ca).

Your views on this matter are very important and let me thank you in advance for your co-operation.

Yours sincerely,

Grant Thomas
The Acacia Initiative
International Development Research Centre