

purchase the goods and services from a Canadian supplier. By interposing itself in this way, it assumes the risks from both sides of the transaction. Since the Canadian exporter has a contract with the corporation, it is protected from the risk of non-payment by a foreign government that it would otherwise have a difficult time pursuing for collection. Similarly, the foreign government is protected from the risks of non-performance by a company outside of its jurisdiction.

By guaranteeing the performance of Canadian suppliers, this corporation reassures foreign purchasers and makes them more likely to issue contracts that involve Canadian firms. Its participation can expand the financing options available to Mexican public sector clients. Finally, its assistance is available to eligible Canadian suppliers throughout all stages of a transaction, including opportunity identification, project analysis, risk analysis, bidding, negotiations, invoicing and collection.

Exporters working through these contracts may not have to wait as long for payment, since they invoice the corporation while it invoices the foreign buyer. In the event of default, the corporation can bring to bear the full weight of the Canadian government to ensure payment.

### **CANADIAN INTERNATIONAL DEVELOPMENT AGENCY (CIDA)**

CIDA is Canada's official development aid agency. It channels Canadian funding to the major multilateral development banks and it sources goods and services required by developing countries directly from Canadian firms.

If a capital project involves environmental improvement, technology transfer, developmental assistance to women, job training or job creation, CIDA may provide some financial support through the Industrial Cooperation Program (CIDA/INC).

A key criterion used by CIDA/INC in assessing whether or not to support a project is that it ultimately create jobs in Mexico, while not having a negative impact on employment in Canada. If a project meets this criterion, the Canadian company proposing it may be eligible for grants to perform studies and provide professional advice to Mexican clients.

To qualify as an eligible supplier to CIDA-sponsored projects, Canadian exporters must demonstrate their technical ability and the competitiveness of their product. In addition, the goods and services provided must meet a minimum of two-thirds Canadian content, while consulting services and technical assistance provided through CIDA's bilateral program must be provided by firms established in Canada and owned by Canadians.