

## **APPENDIX 2: DOING BUSINESS WITH INTERNATIONAL FINANCIAL INSTITUTIONS (IFIs)**

Canadian firms weighing the costs and benefits of entering the international marketplace for capital goods, equipment and consulting services financed by International Financial Institutions (IFIs) may want to consider several uniquely appealing aspects of this business:

**Clear rules** - A rule-based system for international competitive bidding to supply goods and services for IFI-funded development projects allows Canadian firms and firms from the rest of the world to compete for this business on an equal footing.

**Impartial dispute settlement** - Any difficulties or disputes concerning execution of the contract can be settled in an impartial forum in accordance with clear, generally accepted legal principles.

**Assurance of payment** - Contractors or suppliers to IFI-financed projects are guaranteed payment, in convertible currencies, for their goods or services.

Canadian firms that are engaged in an IFI-funded business develop a valuable track record while acquiring skills that can help them capitalize on other opportunities in emerging markets:

**Experience with capital projects** - Mastering the complexities of IFI guidelines for bidding on procurement opportunities can propel Canadian firms into the lucrative world of privately financed international capital projects.

**Experience with specific markets** - Working on IFI-funded projects helps Canadian firms establish a track record.

**Experience with complex financing** - Playing a part in the structuring of a complex financing package from multiple sources for a single project provides further valuable experience Canadian firms can gain from active participation in the IFI-funded marketplace.

The IFI projects offer opportunities for supply of a wide range of products, civil works, related services and expertise:

**The variety of goods required** - From commodities and durable goods to industrial plants, textbooks and teaching aids.

**The variety of civil works and related services involved** - From ports and highways to schools, hospitals, industrial and power plants.