responsibilities; it expects its investment partners to provide management. In making loans, IFC does not provide a subsidized interest rate; the rate applied is determined on a commercial basis.

A local company, entrepreneur, or Canadian sponsor seeking to establish a new venture or expand an existing enterprise can approach the IFC directly by requesting a discussion or by submitting preliminary project information. (A list of useful contacts is appended.)

IFC is a very major player in the field of international investment. During the current 5-year program, it expects to invest $6.5 billion U.S. in over 400 projects. IFC has co-operated with financial institutions, primarily commercial banks, since the early 1960s. The most active program involves the syndication of participations, i.e., an arrangement whereby banks are offered "shares" or "participations" in an IFC loan with the banks taking the same credit risks, on a pro rata basis, as IFC. Unlike a normal Eurocurrency credit agreement, the participating bank is not a direct lender - it has no direct contractual arrangement with the borrower. Out of total cumulative commitments of $6.8 billion U.S. since IFC's establishment in 1956, participations placed with financial institutions totalled over $2.5 billion U.S. In appropriate cases, IFC encourages commercial banks to convert existing loans into equity, possibly in conjunction with new IFC money.

Guaranteed Recovery of Investment Principal (GRIP)

GRIP is an imaginative arrangement between the IFC and an equity investor whereby the investor provides funding and the IFC makes the investment in its name and assumes the full risk of principal. Instead of making a direct investment, the investing company deposits the amount it wishes to invest with the IFC and receives a U.S. dollar debt instrument in exchange. This deposit is to mature on a specified future date, and IFC is fully obligated to repay the money at that time. IFC makes the desired equity investment, using the funds received from the investor. Dividends and capital gains are shared by IFC and the investor in agreed proportions. Upon maturity of the deposit, the investor has 3 choices: a) cash in the deposit and walk away from the investment, with IFC retaining the shares; b) buy the shares from IFC for the amount of the original investment plus a premium based on