

The former include 1) the International Finance Corporation and 2) the Multilateral Investment Guarantee Agency. The key bilateral organizations are 1) the Canadian International Development Agency, 2) the Export Development Corporation and 3) the Department of External Affairs. The multilateral agencies and CIDA will be of interest to companies investing in developing countries, whereas EDC and External Affairs have programs supportive of companies investing outside of Canada.

Multilateral Agencies

The International Finance Corporation (IFC)

IFC is the member of the World Bank Group which makes loans and invests in private sector companies in the Third World. Its main activity is the provision of project financing in the form of loans and equity to companies that are either locally owned or that are joint ventures between local and foreign shareholders. Acting as a catalyst, IFC brings together other lenders and shareholders and co-ordinates financing from the sponsors' banks, foreign and local banks and institutions, and export credit agencies. IFC can operate as a sole underwriter or as a member of an underwriting group in providing financial support through underwriting arrangements for public offerings or private placements of shares, debentures or other corporate securities. IFC's presence in an investment syndication offers assurance to private sector participants as the Corporation will only invest in a project if appropriate arrangements exist for the repatriation of its investment and related earnings.

IFC investments for its own account, both loan and equity, are usually limited to no more than 25% of the cost of a project. As IFC normally provides at least \$1 million U.S. in financing, the smallest project it will finance is therefore about \$4 million. The largest amount that IFC will invest for its own account in a project is around \$70 million. However, IFC can also raise substantial funds, in addition to the investment for its own account, in order to finance larger projects.

The Corporation will normally provide less than 25% of the share capital for a venture, usually in the 5-15% range, and is normally not willing to be the largest single shareholder. In making an equity investment, IFC's ultimate objective is to sell its shares to local investors, and it does not itself assume management