

CIDA-INC: Supporting Canadian Companies in International Mega Projects

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What is CIDA-INC?

CIDA-INC stands for the Canadian International Development Agency's Industrial Cooperation Program. It is the part of CIDA that funds Canadian firms looking to establish long-term business partnerships for mega projects such as infrastructure or factory building.

How does CIDA-INC work with posts?

Every proposal put to CIDA-INC by a Canadian firm is circulated to the post for comment. Post participation is a critical factor in our approval process. CIDA-INC also supports posts with commercial penetration programs in developing countries. Posts can refer clients who need funding to CIDA-INC via our Web site at www.acdi-cida.gc.ca. To help posts identify whether a client will benefit from CIDA-INC, we look for established Canadian firms that are financially sound and able to support long-term project development.

How does CIDA-INC support Canadian companies?

More than 3,000 Canadian companies have used CIDA-INC in Asia, the Americas, Africa and the Middle East. We provide financial support to a range of Canadian firms, from manufacturers to consultants. CIDA-INC also helps share the risks inherent in mega projects.

What are some examples of CIDA-INC in action?

Investment in China: CIDA-INC provided 80% of the funding for a viability study on an air emission filtering system joint venture in China. As a result of the study, the Canadian firm signed the joint venture agreement and applied for assistance to train Chinese employees to meet ISO 9000 standards. This training cost \$320,000, of which CIDA-INC contributed \$250,000.

The project was implemented, thanks to a \$2 million equipment investment split between the Canadian firm and the Chinese partner. The joint venture is now self-sufficient, and supplies markets in China, Japan and Eastern

Europe. It employs 60 people in China and maintains five jobs in Canada.

Professional Services Contract in South America: A Canadian firm that specialized in designing hydroelectric power plants, and which was already active in Guyana, learned of the Guyanese government's plan to build a mini hydroelectric power plant with World Bank financing. The firm received CIDA-INC's assistance to conduct a feasibility and site selection study at a cost of \$610,000. CIDA-INC contributed \$488,000.

With World Bank financing secured, Guyana sent the project to international tender. The Canadian firm won the competition and secured the \$5 million contract for engineering design and construction management.

Since the Government of Guyana had not planned for in-depth training to maintain the mini power plant, the Canadian firm received \$200,000 from CIDA-INC to help it provide such training and contributed \$50,000 of its own funds. It also invited other Canadian suppliers to bid on contracts for the required equipment.