

funding criteria of the INC Program (under such circumstances, the private-sector organization responsible for carrying out the largest portion of the project signs the contribution agreement);

- Third World public and private sector companies that are eligible for the Canadian Fund for Local Initiatives;
- international development institutions engaged in industrial cooperation programs, projects and activities; and
- special initiatives approved by the Canadian government.

Eligible organizations must demonstrate that they have the human, technical and financial resources as well as the skill and experience needed to carry out the project.

Export Development Corporation (EDC)

In addition to its well-known export financing program, EDC offers a variety of insurance programs including foreign investment insurance. This program covers new foreign investment including the usual equity forms as well as non-equity forms such as management and technical services agreements, licensing and royalty agreements, assets, and financial guarantees. Investments can be made directly from Canada or through a related company based in Canada, the host country or a third country. EDC's foreign investment insurance covers 3 broad risks: 1) the transfer risk resulting from an inability to convert and transfer funds, 2) expropriation, and 3) insurrection, revolution or war. The period of coverage is 15 years, but a longer term will be considered where warranted.

The investor has the option of applying for a policy covering any or all of the three risks, and in most cases, it is advisable to insure against all three. In addition to a broad range of investments into manufacturing, processing or service type industries, investments in oil and mineral exploration and development are eligible for insurance coverage. Investments in cash, in kind, or acquired through debt/equity swaps, can all be considered for coverage. An indication of host government approval of the proposed project or activity, and of the investor's investment in it is required.