

investment types: projects may be public, mixed, or private in ownership, provided the investments in the two first cases operate on a commercial basis.

IAIGC has extended its coverage to joint Arab-foreign banks and financial institutions provided their capital is at least 50% Arab, to encourage these organizations to direct part of their investments to Arab countries. Services of the Corporation include coverage for privatization projects, BOT, and BOO.

Direct and portfolio investments are eligible for insurance. Furthermore, loans for terms exceeding three years as well as export credit for shorter periods are eligible. The sole condition for obtaining coverage is the approval by the host government for both the investment and the insurance for the project. Priority is accorded to investments:

- a) promoting Arab economic integration and co-operation such as joint ventures;
- b) building up productive capacities in the host country;
- c) feasible only via the guarantee coverage of the IAIGC, i.e. for which the insurance is an essential factor.

Claims are settled to the extent that the Corporation will pay out 85 per cent of the insured value. It will then represent the claimant and initiate action to recover the 15 per cent from the country through arbitration or international law procedures. The final 15 per cent, if obtained, will be paid to the investor, less expenses incurred.

Another activity of the IAIGC is project promotion for member countries, essentially on cost basis. The identified investment opportunities are brought to the attention of finance institutions. The Corporation itself will not invest in the identified projects. Other ancillary tasks assigned to the IAIGC include the evaluation climate in member countries and the promotion of the movement of investment capital towards member countries.

Annual volume of transactions ranges between US\$100 and US\$150 million.

Canadian firms contemplating selling equipment to a customer seeking to invest in a plant or project in a third (Arab) country may direct it to the IAIGC.