

II. Canadian International Development Agency (CIDA)

CIDA's mandate is to support sustainable development to reduce poverty and contribute to a more secure, equitable and prosperous world. The Industrial Cooperation Division (CIDA INC) and the Bilateral Program of the Asia Branch each fund activities which address this objective. CIDA INC assists eligible firms, especially in the manufacturing and services sectors, to conclude long-term co-operation agreements such as joint ventures and licensing agreements with firms in developing countries. It also assists Canadian consulting firms to provide potential clients in developing countries with professional assistance relating to capital projects. With respect to the Bilateral Program, see *Appendix 1* for a description of current projects.

The Bilateral Responsive Mechanism

Announced in December 1996 as a pilot approach, the Bilateral Responsive Mechanism replaces the former "Country Focus" mechanism. It allows for the submission of unsolicited proposals by both the private sector and the "not-for-profit" sector to bilateral desks. Proposals financed under this mechanism must be funded from existing bilateral resources. To keep partners well informed, CIDA may periodically publish country profiles and use the Internet to indicate the programming thrusts that it favours in countries of concentration. However, in order to help differentiate responsive from directed projects, it is important to note that responsive projects:

- are unsolicited proposals from development partners in which the development impact clearly prevails and which must strictly conform to the applicable Country Regional Program Framework;
- require that the selection of the implementing organization and project approval are inseparable;
- are implemented under a Contribution Agreement between the implementing organization and CIDA in which:
 - i) no profit can be associated with the contribution agreement;
 - ii) there will be a general limit of \$5 million per contribution; and
 - iii) cost-sharing and leveraging will be taken into account in the approval process.

Since the beginning of the liberalization reforms, the number of foreign companies operating in Pakistan has grown considerably in a wide range of sectors: energy; automobiles; engineering; chemicals; pharmaceutical; electronics; transport; telecommunications; food, consumer products; packaging; synthetic fibres; hotels. The main foreign investors are from the United States, the United Kingdom, Germany, China and Japan. CIDA/CIDA INC encourages Canadian firms to investigate the potential for partnerships. See *Appendix 4* for its address, telephone and fax numbers and web site.

III. Export Development Corporation (EDC)

EDC provides a range of export assistance, including direct loans to foreign buyers, short- and medium-term insurance on foreign accounts receivable and performance securities, and foreign investment insurance (FII).