

over all the phases of a typical corporate production cycle. The elements of the program are:

- industrial development climate
- innovation
- establishment
- modernization/expansion
- marketing
- restructuring.

Since the assistance required depends on the nature of the project and the need for support, the program flexibility will enable this assistance to be tailored to the particular circumstances of the applicant.

Regional Designation

While the program is a national one, and support is available for all areas, not all areas of Canada enjoy the same economic prosperity. Accordingly, to further encourage and stimulate industrial activity in the more economically disadvantaged areas and to reduce the disparity between regions, enriched support is available to those more disadvantaged regions. Targeting support is achieved through the use of a "development index", based on a formula using Canadian government statistical data. Using 260 of Canada's census divisions as the basic unit, the level of unemployment, the level of personal income, and the provincial fiscal capacity were combined to provide an objective means of determining which regions of Canada are most in need of support. There are four tiers of assistance.

Tier 1 represents a basic national level for support. Tiers 2, 3 and 4 provide progressively greater assistance.

The level of support indicated as available is the maximum. The actual amount offered will be subject to analysis and negotiations for larger projects.

General Program Criteria

Project Eligibility

A project will not be eligible if a legal commitment has been made in its regard previous to the date upon which the department receives the application.

Incrementality

No project may be supported that would not proceed, insofar as location, scope or timing are concerned, unless support is provided.

Commercial and Economic Viability

The project and persons undertaking the project must be considered to be economically and commercially viable within reasonable bounds of risk.

Program and Economic Benefits to Canada

The project and exploitation of the results of the project must represent significant net economic or social benefit to Canada within reasonable bounds of risk.

Eligible Applicants

Individuals, associations, partnerships, co-operatives, bodies corporate, and non-profit organizations are eligible provided the project or activity is undertaken in Canada. Assistance available will depend on the type of project or activity.

Amount and Conditions of Program Support

Eligible projects will not necessarily be supported at the maximum levels. The minimum amount of financial support required for the project to proceed and for economic benefits to be maximized will be provided.

Targeting Program Support

Priorities will be set after consultations with the private sector and other interested persons. Project proposals will be ranked according to the priorities and the economic benefits of the project. Regional development considerations will be of paramount importance.

Eligible Assets

Capital assets acquired prior to the date on which an application is received in the department will not be considered when calculating eligible costs under the program.

The Decision-making Process

Eligibility for support does not mean an automatic right to assistance. Projects are selected according to government priorities to ensure that government support, if given, will have the greatest possible impact and will yield the maximum return.

Each eligible project is assessed in relation to other projects and its priority is determined by the benefits and regional impact expected to result.

Authority to approve smaller projects has been delegated to the regional offices of the Department of Regional Industrial Expansion, thereby reducing the time required to reach a decision. Larger projects are reviewed from the national perspective.