

The Canadian Trade Commissioner Service

Everywhere you do business



Investment Cooperation Program (INC)

Presentation to

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Foreign Affairs and
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Canada 

Investment Cooperation Program (INC)

‘Supporting responsible, sustainable Canadian private sector investment in developing countries’

- An improved tool to support committed clients in developing country markets
- Revised, transferred from previous Industrial Cooperation Program (CIDA-INC)
- \$20 million (annual) contribution program, funded from Canada’s Official Development Assistance

Canadian businesses are encouraged to better assess, plan investments in developing countries



Increase in number, quality of Canadian private sector investments in developing economies



Sustainability enhancements to investments, public infrastructure related service contracts



Sustained success story: benefits to the business bottom line, benefits to the developing country

How it works

- Responsive program: proposals are developed and submitted by Canadian client firms
- INC does not contribute financing to the project itself
- The program shares costs with applicants for
 - Studies and evaluations that facilitate an informed decision on a prospective investment
 - Complementary activities and initiatives that enhance the sustainability of an investment or major public infrastructure contract
- Eligible expenses include direct staff costs, consultant fees, travel costs and per diems, plus a provision for project overhead
- Phased design of the program follows the project life cycle
 - Client firms may seek one or more cost-shared contributions as appropriate to their project

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Phase	% eligible expenses	Maximum contribution	Project eligibility
Pre-Investment: enabling a decision to invest or not			
Phase 1: Commercial Viability - Market study, Commercial-technical feasibility, Legal-regulatory evaluation, Financial viability to determine the viability of an investment in a developing country.	50%	\$ 60,000 (\$500,000 for PPP)	Productive, Public Private Partnership (PPP)
Phase 2: Adaptation / Demonstration - Plan, test and prove viability of changes to a proven technology for developing market/ location; pilot demonstration projects	50%	\$60,000	Productive
Post Investment: enhancing the economic, social, and/or environmental impact of an investment			
Phase 3: Sustainability - Perform assessments and plan measures to enhance a new or existing investment: environmental enhancements, energy audit, socio-economic, gender equity studies and plans, local supply chain studies and plans, human resource training needs assessments and plans	50%	\$180,000	Productive, PPP
Phase 4: Implementation - measures to enhance a new or existing investment, or to a secured professional services contract relating to public infrastructure, including: human resource training, environmental enhancements and upgrades, energy efficiency projects, socio-economic, gender equity training, local supply chain development projects.	75%	\$270,000	Productive, PPP, Extractive, Professional Services contracts

Evaluation of proposals

For-profit Canadian applicant firm

- Registered with Virtual Trade Commissioner
- Experienced in developing world
- Minimum \$2 million annual revenue for the previous 2 years,
 - Financial statements must be audited or an engagement review report
 - additional assessment of capacity to implement the proposed investment (consortium possible, but lead applicant is assessed)
- Commitment to appropriate international Corporate Social Responsibility standards

(For investment project applicants)

- Meaningful Canadian equity role in investment (minimum 10%)
- Management role in the downstream project or investment

Evaluation of proposals (2)

Projects in ODA-eligible countries, unless constrained by Canadian foreign policy

Investment projects

- Minimum Canadian investment \$500,000
- Not speculative (real estate, portfolio investment, resource exploration)
- Not R&D-centred (pharma development, clinical trials, software lab, etc)
- Canadian benefits, host country developmental impact (job creation, skills development, transfer of know-how, technology, best practices etc)

Professional Services Implementation Support

- Secured Professional Services contract worth \$1 million or more
 - Letters of interest possible for project bidding

Program Update

- INC integrated into Trade Commissioner Service:
 - Clients encouraged to interact with colleagues at posts, in regional offices across Canada
- INC helps with Canadian Direct Investment Abroad
 - International investment is an essential corporate strategy for many Canadian companies competing in today's global economy.
 - Companies gain access to new markets, reduce input costs, secure access to resources, acquire new technologies and provide better support to foreign customers.
- Client Service Standards welcomed
 - most decisions communicated within 40 days of completed proposal
- Client demand is growing, but still lots of program capacity
- Completed proposals are
 - Productive sectors (manufacturing, services) - 80%
 - Professional services implementation support - 20%
- Global reach: returning favourites, non-traditional hotspots
China, Vietnam, India, Mexico, Brazil, Mexico, Haiti
Africa, Mongolia

For more information:

**Investment Cooperation
Program**

www.tradecommissioner.gc.ca/inc