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1977

Program for Export Market Development

Information for Industry
A guide to the use of the program
Effective: April 4, 1977



Industry, Trade
and Commerce

Industrie
et Commerce

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Foreword

The Program for Export Market Development is part of the Export Promotion Program administered by the Department of Industry, Trade and Commerce. The Export Promotion Program is an incentive for Canadian suppliers of goods and services to enter world markets and to sustain export activities.

There are two main sources of assistance:

- The "Promotional Projects Program" through which the Department initiates, plans and implements all aspects of each undertaking. These activities are principally in the form of official participation in Trade Fairs or Industrial Expositions abroad and through the conduct of missions, both incoming and outgoing.
- The "Program for Export Market Development" where the initiatives originate with industry and the Department provides a financial incentive toward the cost of exploring and exploiting export opportunities.

This latter source of assistance is the subject of this brochure.

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Canada

**DEPARTMENT OF INDUSTRY, TRADE &
COMMERCE – OFFICE OF EXPORT PROGRAMS
AND SERVICES**

PROGRAM FOR EXPORT MARKET DEVELOPMENT

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PART I – PROGRAM INFORMATION

I.A: Introduction to PEMD

The Program for Export Market Development (PEMD) is designed to encourage established Canadian firms to enter new export markets and accept new competitive risks in existing export market areas. Such additional risks may be the result of the unusual size of a capital project venture, unusual international competition, new and unfamiliar market conditions and/or the need to use a consortium approach to meet opportunities abroad.

The Program is not intended to support normal export business activities either in maintaining an existing market abroad or in winning new business in a market where the supplier is already well established. PEMD only provides an incentive where there is a proven need to share the financial risk of developing or maintaining a foreign market.

The Program is divided into five sections to meet different export marketing needs. In general terms, it offers assistance by sharing specific expenses incurred by an applicant firm in the course of carrying out a project approved by the Department. The eligible costs vary from section to section and are described in detail in Part I.E.

Companies which succeed in developing export business with assistance under the Program must repay the share provided by the Crown. Repayment is not required if sales are not generated. Detailed arrangements to that effect are spelled out in the contract.

Applicants for assistance under the Program are encouraged to take advantage of various sources of information and guidance available from the Department. Officers at the Regional Offices can assist in the preparation of an application and advise on the eligibility of certain costs. The International Bureaux at the Departmental headquarters in Ottawa can provide up-to-date information on access problems for Canadian goods and services to a given area, and the Trade Commissioner on-the-spot is best qualified to comment on the market itself. In fact, an exchange of correspondence with the Trade Commissioner in the country, or countries, of interest is an excellent first step leading to filing an application.

Should the applicant be eligible for, or actually receive, financial assistance for the same project from other Government Agencies, either Federal or Provincial, he may not be eligible for support under PEMD. It is suggested that an early enquiry be made with either the PEMD office in Ottawa or the nearest Regional Office in order to clarify possible areas of conflict. On the other hand, certain export transactions require the involvement of other Federal Departments and Agencies. Support under PEMD does not assure approval by these organizations.

Assistance received through PEMD does not imply that a company, its products or its services, are in any way endorsed by the Government of Canada.

All communications and information provided by a company applying for assistance will be treated as "Commercial Confidential".

I.B: Outline of PEMD Incentives
(Detailed Information in Part I.E.)

The Program for Export Market Development is divided into five Sections representing a range of activities aimed at the exploitation of export opportunities.

Section A: Participation in Capital Projects Abroad

To encourage suppliers of Canadian goods and services to participate in major international projects, such as the design and construction of industrial power plants, hotels, airports and harbour facilities. Companies providing engineering, architectural, management and consulting services, as well as suppliers of equipment, are eligible for cost-sharing assistance.

This Section applies anywhere outside Canada.

Section B: Market Identification or Adjustment

To encourage activities leading to identification of new markets for Canadian goods and services, with emphasis on visits by businessmen and company executives to new market areas of interest, in order to investigate and assess chances for an effective market penetration. Assistance is also available for adjustment and adaptation of an exporter's marketing methods to unfamiliar and/or changed conditions in an export market.

This Section applies anywhere outside Canada and Continental United States.

Section C: Participation in Trade Fairs Outside Canada

To encourage participation in Trade Fairs and Industrial Exhibitions which are not included in the Departmental Promotional Projects Program, but are of particular interest to the applicant firm.

This Section applies anywhere outside Canada.

Section D: Incoming Buyers

To encourage Canadian firms to invite to Canada or an approved location abroad, overseas personnel who have the power to influence the purchasing decisions of their company or agency.

This section applies to buyers from locations outside Canada and Continental United States.

Section E: Export Consortium Assistance

This Section is designed to improve the export performance of Canadian manufacturers, particularly small and medium-size firms, by encouraging the formation and use of group marketing efforts through export consortia.

In essence, where costs, risks and absence of qualified personnel make it impractical for a single company to undertake a serious export activity, the Program encourages compatible firms to participate in a joint approach to foreign markets.

This Section applies anywhere outside Canada.

I.C: General Eligibility Criteria
(Detailed Information in Part I.E.)

The Program for Export Market Development is available to eligible Canadian companies with an export capability wishing to expand their markets:

1. The firms may be new to exporting or may be established exporters who wish to enter new markets to export goods and services manufactured in Canada with significant Canadian content. Companies need not be incorporated and may be sole proprietorships or partnerships. Collaborative applications by more than one company, by a trade or industrial association, or by export agents are eligible.
2. Crown Agencies, Federal and Provincial entities and other organizations from the public sector are not eligible.
3. Trading companies are eligible for PEMD assistance provided they are listed in the Department's Exporters' Directory, the Trading House Directory or are considered qualified for such listings. Eligibility is based on the same general criteria used for other classes of applicants. The companies must display sound financial and managerial capabilities and, in addition, be experienced in, or have the potential to effectively conduct export trade.

Trading companies must represent Canadian firms capable of supplying goods and/or services (with significant Canadian content) which may be competitive in the world markets concerned.

In view of the potential for a trading company to represent many clients and their products, applicants should pay particular attention to the need to establish the element of incrementality. For example, in geographic areas where a trading company is already well established a substantial case would have to be made to satisfy the element of incrementality even though new products were being introduced.

4. It must be demonstrated that the proposed project will increase the firm's export business over and above maintaining its current market share and the normal growth expectations in that market. It is also required that the export business sought be incremental to overall Canadian exports in the market area concerned. In assessing applications the Department will consider market accessibility, Government trade policies and the nature and content of current Canadian exports to that market.
5. The work proposed in an application for PEMD assistance must be specific. It must also be shown how the proposed project fits into the company's overall export strategy.

6. It is recommended that companies entering the export trade be listed in the "Exporters' Directory" published by the Department of Industry, Trade and Commerce. All offices of the Department at home and abroad have copies of the Directory which is used to identify an exporter's capabilities and interest. Thus, being listed in the Directory is of direct benefit to an applicant. Listing forms are available from the Department's Regional Offices.
7. The following costs, common to all Sections of the Program, are eligible for Crown support.
 - a) One half of the Return International Economy Air Fare to the farthest point on the approved itinerary.
 - b) A \$70 per diem allowance for Canadian personnel carrying out previously approved work for each day spent abroad, plus two days travelling time.
 - c) A \$70 per diem allowance for Canadian professional or equivalent grade personnel working directly on a previously approved project in Canada. This expense must be certified by the Company's external auditors.
 - d) One half of "special and unusual" costs. Such costs must be previously authorized by the Department and actually incurred by the Company. The Department must be satisfied that such costs, which vary from Section to Section, represent a necessary contribution to the success of a project.
 - e) Hospitality costs are not eligible for cost sharing unless specifically recommended and approved by the Trade Commissioner Post.

I.D: Applying for PEMD Assistance

1. *Contacts*

Should the applicant require further information prior to filing an application, the nearest Regional Office of the Department should be contacted. (List of addresses and telephone numbers is included at the end of this publication). The Regional Office can supply the names, addresses and telephone numbers of other Departmental personnel whose advice may be of assistance in developing the application, namely:

- The Trade Commissioner post in the area of interest which can undertake a preliminary assessment of the market potential and offer suggestions as to the best method of approach. It is recommended that product description and literature be sent to the post well ahead of time.
- The Department's International Bureaux in Ottawa which can advise of tariffs, overall access conditions and alert the applicant to any special problems which he may anticipate in a given market.
- The Industry Sector Branches in Ottawa, which is familiar with world-wide opportunities for specific products and services.

2. *Timing*

All applications, in order to be eligible for assistance, should be received by the Department at least six weeks prior to undertaking the project for which assistance is sought.

3. *Presentation*

Applications for assistance under PEMD should be prepared on official company stationery and should follow the headings shown in the Sample Application Format shown under Part II.

The details requested under each heading should be included, where applicable, using the same numbering system shown in the samples.

4. *Submission*

Two copies of the application should be sent to the nearest Regional Office.

5. *Commencement of Work*

The "effective date" of an application for assistance under PEMD is the date on which it is received by the Regional Office. The receipt date of a Letter of Intent to file an application may also be accepted, provided that the actual application is received within the following three weeks. Verbal communication by telephone is not acceptable. In cases of unusual delays, the date of the postmark on the envelope may be accepted. This date becomes the "effective date" of the formal agreement between the Company and the Crown if and when the application is approved by the Department.

Details of this Agreement are contained in pages 20-24 of this brochure and a sample of the Agreement is shown on page 21. Costs incurred before the "effective date" are not eligible for cost sharing.

6. *Contractual Obligations*

Once an application is approved, the Company undertakes to comply with certain reporting procedures:

These are: (i) the submission of a Project Report at the time of making claims against the approved assistance; and (ii) the submission of Business Data Reports on each anniversary of the "effective date" during the life of the formal Agreement (usually three years). Samples of these reports are shown on pages 25 and 20 respectively.

I.E: Detailed Description of PEMD Incentives**SECTION "A": CAPITAL PROJECTS**

The objective of this Section is to increase Canadian chances to obtain contracts for capital projects abroad. The Department will make a contribution to the costs incurred by a Company in pre-contractual stages of specific projects requiring bids.

This incentive is applicable to projects anywhere outside Canada.

The term "Capital Projects" describes projects, which entail the provision of consulting services, engineering, construction, and/or supply of equipment, for example: production plants, electric power projects, forest development, mining and ore extraction, communication and transportation systems, as well as aerial surveys.

The Program does not assist Canadian companies to compete among themselves for the same project.

ELIGIBLE COSTS:*Personnel Costs*

An allowance of \$70 per day, per person, will be paid against a Department approved estimate of the time involved on a project on the following basis:

- a) time spent by a company employee away from his or her normal place of business, including two days travel time for each trip;
- b) time spent by professional or equivalent grade company personnel at their normal place of business while working full time on the project.

Allowances in these categories are paid in lieu of sharing the costs normally incurred in travel, such as hotels, meals, local transportation and communications as well as a portion of salaries.

Transportation Costs

The Crown will contribute 50% of the Economy Return Air Fare to the farthest point on an approved itinerary.

Specific and Unusual Costs

Eligible costs in this category may apply to consulting, legal and translation services. Specific non-personnel costs incurred internally by the Company may be eligible for sharing if they are demonstrated to be necessary to ensure the success of the project.

Repayment

Repayment of the Department's contribution will be required normally in two equal payments. The first will be due six months after signing the foreign contract and the second after 12 months.

I.E: Detailed Description of PEMD Incentives**SECTION "B": MARKET IDENTIFICATION/ADJUSTMENT**

The objective of this Section is twofold:

Under PART I, Market Identification, the exporter is encouraged to visit a new potential market. Such exposure should enable him to reach a decision as to whether the specific market can indeed absorb his goods and/or services, and the opportunities are commercially viable and worth pursuing.

Part I is intended to cover situations where a company is generally aware of an opportunity in a foreign market, but is unable or unwilling to undertake the work needed to make more definite plans because costs and risk factors represent a barrier. Examples of such work are visits by company officials to the markets concerned; studies by market specialists; seminars and technical presentations.

Under PART II, Marketing Adjustment, the exporter is assisted in taking the necessary steps to adjust his marketing techniques to unfamiliar requirements and practices and/or substantially altered market conditions in an area to which he is already exporting. For example: the establishment of an after sales service; study of special sourcing requirements; the need for a radical change in distribution patterns or the need for essential activities to improve the sales potential.

This incentive is applicable outside Canada and Continental United States.

ELIGIBLE COSTS:*Personnel Costs:*

A \$70 per diem allowance will be made for the time spent abroad, plus two days travel for approved Canadian personnel directly involved in carrying out the project.

Transportation:

The Crown will contribute 50% of the Economy Return Air Fare to the farthest approved point on the itinerary.

Special and Unusual Costs:

These may include: translation of sales literature; special studies to be carried out by outside consultants; unusual product demonstration requirements, and other costs that the Department may recognize as being necessary and have direct bearing on the success of the project. The Crown will contribute 50% of the approved and actually incurred costs.

Repayment:

Repayment will usually be based on 1% of the gross sales realized in the new market over a period of three years or until the total of the Crown's contribution is reached, whichever occurs first.

I.E: Detailed Description of PEMD Incentives**SECTION "C": PARTICIPATION IN TRADE FAIRS**

This section is designed to encourage greater participation by Canadian exporters in Trade Fairs and Industrial Exhibitions anywhere outside Canada where such participation is likely to result in an effective penetration of new markets.

The term "Trade Fairs" is intended to describe conventional trade fairs of limited duration held outside Canada as well as trade exhibits of longer duration held in permanent trade centres abroad. This program supplements the established program of Government-sponsored national exhibits. Therefore, an application for assistance to participate in a trade fair where there is a national exhibit sponsored by the Government will not be eligible under PEMD. Departmental assistance is normally available only for the first time participation in a Trade Fair. Subsequent participation is entirely at the company's own expense.

This incentive is applicable anywhere outside Canada.

ELIGIBLE COSTS:*Personnel Costs:*

A \$70 per diem allowance will be made for the time spent abroad which will include the number of days that the fair is open, plus a day for setting up the display and a day for dismantling, as well as two days of travel for approved Canadian personnel directly involved in carrying out the project. Normally, the participation of only two company representatives will be eligible for support under this section.

Transportation:

The Crown will contribute 50% of the Economy Return Air Fare to the location of the Exhibit.

Special Costs:

These may include: space rental fees, design, construction, erection and dismantling of an exhibit and return transportation of goods to be exhibited. The Crown will contribute 50% of the approved and actually incurred costs.

Where a company proposes to design, build and carry out all exhibit work with its own resources, and where the Crown contribution for this part of the work exceeds \$2,000, it must be demonstrated, normally by competitive bids from outside contractors, that the use of the company's own facilities and resources for this work will result in an exhibit of a suitable quality and be less costly to the Crown.

Costs are to be compiled on the basis that the Department is an equal partner in the venture. No kinds of costs should be included which would not be included if the applicant were recording such expenses for internal purposes. Should the products exhibited at a trade fair not be returned to Canada, no shipping costs, either way, will be shared by the Crown.

Repayment:

Repayment will usually be based on 1% of gross sales realized in the new market over a period of three years or until the total of the Crown's contribution is reached, whichever comes first.

SECTION "D": INCOMING FOREIGN BUYERS

The objective of this section is to encourage Canadian companies to bring potential foreign buyers to the companies' premises in Canada or to another agreed location in Canada or abroad, in order to influence a purchasing decision.

This Section is applicable to foreign personnel representing buyers located outside Canada and Continental United States.

The term "foreign buyers" is intended to describe individuals who could play a major role in purchasing decisions affecting a Canadian export transaction. Foreign civil servants, military personnel, representatives of local standards associations, scientific, accrediting and certification officials are normally eligible under this Section. Visits arranged under this section are the direct responsibility of the applicant company, and are not deemed to be official Government invitations. Departmental assistance, however, may be available if needed.

ELIGIBLE COSTS:*Personnel Costs:*

The Department will pay an allowance of \$25 for each day the potential buyer is in Canada or at the agreed location abroad.

Transportation:

The Department will contribute 50% of the Return Economy Air Fare from point of origin to the agreed destination in Canada or abroad.

The Company must pay the remaining half of the fare and a daily allowance at least equal to the Crown's contribution. If the Company does not make these payments itself, it may not claim any payments from the Crown.

Repayment:

Repayment will usually be based on 1% of the gross sales realized to the customer whose purchases the visitor has influenced, over a three year period, or until the total of the Crown's contribution is reached, whichever occurs first.

I.E: Detailed Description of PEMD Incentives**SECTION "E": EXPORT CONSORTIA**

The objective of this Section is to provide an incentive for Canadian manufacturers (especially small to medium-sized firms) to form export consortia. The formation of a consortium must be based on the continuing purpose of combining and improving export capabilities through economies of scale in marketing and productivity, improved competitive capability and increased export potential over and above that of individual firms acting separately.

Eligibility:

To be eligible for assistance under this Section, a proposed consortium will be composed of three or more established Canadian manufacturers of like or complementary products. The assistance provided by PEMD is primarily intended for the benefit of manufacturing firms. An individual service and/or consulting firm may be included if, in the Department's opinion, this is essential for the success of the consortium as a whole. Assistance, however, is not available for the formation of exclusively service and/or consulting consortia.

The Application:

In view of the special nature of Section "E" projects, each having its own distinct character, it is recommended that prior to the preparation of an application, a meeting be arranged with the responsible officers of the Department. To this effect either the PEMD office, the Industry Sector Branch concerned, or the nearest Regional Office should be contacted. At such time the exact contents of the application and the costs eligible for sharing by the Crown will be discussed. In general terms, all participating members of a proposed consortium must undertake to establish jointly, and to capitalize a separate Canadian corporation to be engaged solely in export of Canadian goods and services. This undertaking must clearly define the financial and management contribution of each member firm. The proposed consortium must make a preliminary case to the Department outlining the basic intent and purpose of the group and detailing the compatibility of the firms and products. An indication of availability of markets should also be included. Correspondence indicating a positive reaction from the Trade Commissioner posts in the areas of interest would satisfy this requirement. In addition, the applying companies should be able to indicate the commitment of an approximate percentage of their production to exports, provide details of an overall marketing plan, and discuss special problem areas such as logistics, warehousing, collective purchasing, subcontracting, use of brand names, etc.

PEMD Assistance:

The incentive under Section "E" may be available under one or both of two phases:

Phase I: Feasibility Study

Based on the outline contained in the application, financial assistance may be available to undertake a complete feasibility study leading to the formation of a consortium. The study should demonstrate how the formation of a central export marketing organization would benefit the member firms through economies of scale, increased productivity, and develop export opportunities otherwise unavailable to the individual companies. It should reach definite conclusions as to the viability of the project. A suggested format appears in IIA page 19. Where management resources of the applicant firms are inadequate to carry out this task, the Department will share in the cost of retaining a suitable consultant. In addition to preparing the feasibility study and working out the details of the proposed interrelationship between the member firms and the consortium, it would become the consultant's task to prepare financial forecasts, including a projected "break-even" point for the proposed consortium.

Phase II: Formation and Initial Operation of a Consortium

Following the acceptance by the Department of a feasibility study (produced with, or without, Crown assistance), costs involved in the formation and initial operation of a new consortium may be eligible for assistance under Phase II. The exact nature of the expenses eligible for cost sharing by the Crown may vary from case to case and should be discussed with the Departmental Officers responsible prior to submitting an application. PEMD assistance, however, is subject to the following conditions and limitations:

1. The maximum Crown contribution in any one year, for projects under Phase I, Phase II, or both, is \$50,000. Subject to annual review by the Department, additional annual assistance to a maximum of \$50,000 per year may be approved for up to a total of three years or the achievement of a break-even point, whichever comes first.
2. Although the maximum assistance available under Section "E" is \$50,000 per annum, the total Crown contribution will, at no time, exceed the total financial contributions made by the member firms of the consortium.
3. PEMD Assistance is available only as an incentive in developing the necessary marketing aspects of a project and does not apply to product development and/or adjustment.
4. The consortium undertakes not to distribute profits/dividends among its members until such time as the total Crown contribution is repaid in full.

5. The nature of the arrangements for sales made by members to the consortium will form part of the contract with the Crown. Two formulas are suggested: either sales will be made at cost; or according to a "most-favoured-customer" scheme.
6. Points 4 and 5 will be taken into consideration in establishing the terms of repayment, which will normally consist of a clearly defined percentage of gross sales by the consortium over a fixed period.
7. Once the consortium is formed, it becomes eligible for assistance under the other Sections of the Program, as long as there is no duplication of assistance provided by other Sections and Section "E".

PART II: A GUIDE TO APPLYING FOR ASSISTANCE

II.A. THE APPLICATION

SAMPLE APPLICATION FORMAT FOR SECTIONS "A", "B", "C" and "D"
COMMERCIAL CONFIDENTIAL

1. TITLES

- 1.1 Company name and address
- 1.2 Responsible company officer (name and title)
- 1.3 Telephone and telex numbers
- 1.4 Section and Section Title
- 1.5 Application date
- 1.6 Company's gross annual sales
- 1.7 Company's gross annual export sales

2. PROJECT OUTLINE

- 2.1 Name of project, type of goods and services to be sold; the market(s) involved.

2.2 Brief description of:

For PEMD "A": The project for which the applicant hopes to obtain a contract, name(s) of potential client(s), approximate total cost of project, estimated dollar value of the company's proposed bid, estimated dollar benefits to Canada, and timing.

For PEMD "B": The new and unfamiliar market to be investigated.

For PEMD "C": Details of the fair, name, location, clientele, geographic market covered, product(s), nature of fair (trade, consumer, other), hours the fair is open each day, dates, frequency (annual, semi-annual), and any other special aspects not covered above.

For PEMD "D": Names and titles of potential foreign buyers, including appraisal of their position in terms of influence on purchasing decisions within their organization(s), and approximate visit dates.

- 2.3 *Qualifications for PEMD "A", "B", "C" & "D":* State the Company's qualifications to secure the project and/or sell products and services to the buyers and markets detailed above. Indicate previous similar undertakings and relevant experience. Give a brief description of the Company, if not in the Exporter's Directory.

2.4 Provide marketing details as follows:

For PEMD "A": Give the outlook for project financing, describe and assess competition, provide sales forecast and an estimate of the chances for success.

For PEMD "B": Part I: Indicate the minimum annual volume which would justify entering the market. Provide whatever information is currently available that indicates there is a reasonable probability of identifying a viable market through the proposed work. Indicate the market information to be sought and questions to be answered in the proposed study. Part II: Indicate why existing marketing methods are not applicable and why adjustments are needed. Give a brief outline of the company's overall marketing plans of which the

proposed work forms a part. Give sales objectives which would justify the project.

For PEMD "C": Indicate how participation in the fair fits into the Company's overall marketing plans. Provide a dollar forecast of sales which might be expected to result directly or indirectly from participation in the fair. Assess market competition.

For PEMD "D": State reasons why it is necessary to bring the potential buyers to Canada or elsewhere. Provide a dollar forecast of sales and indicate any other benefits that the Company hopes to obtain through the proposed visit(s).

- 2.5 Estimate; a) the Canadian content of goods and services to be sold, and b) the business likely to accrue to other Canadian suppliers if increased exports of the goods or services concerned are realized.

- 2.6 Indicate any other potential benefits to Canada, either direct or indirect, if the Company is successful in securing sales. Justify why this proposal represents either an increase in the normal level of marketing activity, or an extension of normal efforts in the export field, or a special risk.

3. STATEMENT OF WORK & ESTIMATED CONTRIBUTION

- 3.1 State the immediate objective of the work for which Government contribution is proposed, e.g. "to carry out a market study in...", etc.
- 3.2 Estimate the Government contribution required in accordance with the eligible costs detailed in this publication. Ensure that the financial estimates are broken down by cost of transportation, number of man-days and other applicable details as shown in the samples.

For Sections B, C & D add a proposed repayment clause.

Indicate the amount you expect to claim in—
a) The current Government fiscal year
b) The succeeding fiscal year

Try to avoid sending in documents larger than 8½ x 11 as all data must be duplicated for circulation within the Department. Large documents should be reduced to size before submission of the application.

NOTE: This Section will form the basis of any resulting Formal Agreement. Samples for each Section of the Program are provided immediately following.

See samples of Schedule I on following pages.

**STATEMENT OF WORK AND ESTIMATED COSTS
SCHEDULE I**

**COMMERCIAL CONFIDENTIAL
(SECTION "A")**

Applicant:

Objective

The immediate objective for which cost sharing is proposed is to obtain a contract from Tunimport, an agency of the Tunisian Government for the engineering and realization of a foundry to be located near Gabes on a turnkey basis.

Statement of Work

The work for which cost sharing is proposed is as follows:

1. Visit Tunisia to obtain detailed information required to submit a proposal.
2. Prepare proposal in Canada.
3. Visit Tunisia to negotiate a contract.

Estimated Costs

This estimate has been made in accordance with the eligible costs as outlined in Part I, PEMD – Information for Industry, 1977.

	Estimated Costs	Crown Share
1. Tunisia Trip – Project Scope		
Personnel – Travel Status – including two days travel		
Mr. W. C. Laplante – President	10 days @ \$70	\$ 700
Mr. D. F. Brown – V. President, Sales	6 days @ \$70	420
Air Fare – Economy Return		
Toronto-Gabes-Toronto – 2 fares @ \$496	\$992	496
Proposal Preparation – Personnel – in Canada		
Mech. Eng. (1)	6 days @ \$70	420
Metall. Eng. (2)	16 days @ \$70	1,120
Estimator (1)	15 days @ \$70	1,050
Design Draftsman (1) (Senior)	3 days @ \$70	210
2. Second Trip to Tunisia – contract negotiations including two days travel		
Mr. W. C. Laplante	6 days @ \$70	420
Mr. D. F. Brown	6 days @ \$70	420
Air fare – Second Trip		
Toronto-Gabes-Toronto – 2 fares @ \$496	992	496
		<hr/>
TOTAL CROWN CONTRIBUTION		\$5,752

\$3,000 to be claimed in the current government fiscal year
Balance to be claimed in the next government fiscal year

**STATEMENT OF WORK AND ESTIMATED COSTS
SCHEDULE I**

**COMMERCIAL CONFIDENTIAL
(SECTION "B")**

Applicant:

Objective

To identify the market for the company's agricultural equipment and implements in Italy and Switzerland.

Statement of Work

Mr. T. David, Technical Services Director and Mr. D. Beaudet, Export Division, will travel to Rome and Geneva to assess the market potential for their products in those countries.

Estimated Costs

This estimate has been made in accordance with the eligible costs outlined in Part I, PEMD – Information for Industry, 1977.

	Estimated Cost	Crown Share
Return Air Fare (economy) 2 fares	\$1,320	\$ 660
Mr. David – Montreal-Geneva-Rome-Montreal		
Mr. Beaudet		
Per Diem Allowance – Mr. David		
14 days plus 2 days travel @ \$70	16 x \$70	\$1,120
Mr. Beaudet		
13 days plus 2 days travel @ \$70	15 x \$70	1,050
		<u>1,050</u>
TOTAL CROWN CONTRIBUTION		\$2,830

Total amount to be claimed in the current government fiscal year.

If successful, repayment of the Crown share is to be based upon 1% of the gross sales of agricultural equipment and implements, made by the applicant firm to Switzerland and Italy.

**STATEMENT OF WORK AND ESTIMATED COSTS
SCHEDULE I**

**COMMERCIAL CONFIDENTIAL
(SECTION "C")**

Applicant:

Objective

To display our ship building capabilities at Europort, Amsterdam, November 9, ...

Statement of Work

Design, manufacture, transportation, erection, manning and dismantling of the company's display manned by two company representatives:

Mr. A. D. Stewart – Advertising Manager

Mr. E. F. Lepage – Naval Architect

Estimated Costs

This estimate has been made in accordance with the eligible costs outlined in Part I, PEMD – Information for Industry, 1977.

	Estimated Costs	Crown Share
Travel – two economy fares Toronto-Amsterdam	\$1,500	\$ 750
Per Diem – A. D. Stewart 10 x 70 – includes two days travel		700
E. F. Lepage 10 x 70 – includes two days travel		700
Display – manufacture	2,800	1,400
– transportation	500	250
– insurance	105	52
– erection and dismantling	1,030	515
		<hr/>
TOTAL CROWN CONTRIBUTION		\$4,367

Total amount to be claimed in the current government fiscal year.

If successful, repayment of Crown contribution will be based on 1% of gross sales of the company's goods and services in Western Europe.

**STATEMENT OF WORK AND ESTIMATED COSTS
SCHEDULE I**

**COMMERCIAL CONFIDENTIAL
(SECTION "D")**

Applicant:

Objective

To obtain the contract for the design and project management, including sourcing equipment for a sawmill complex in Colombia.

Statement of Work

To bring Mr. B. Lopez, Director, Forestry Department, Bogota, Colombia to Canada on or about Jan. 15 to inspect hardwood sawmills, to demonstrate Canadian equipment and expertise as well as to become familiar with the capabilities of the Company.

The itinerary will include sawmill and plywood plant inspection at Brampton, Ontario plus multiple installations in the London and Chatham area.

Estimated Costs

This estimate has been made in accordance with eligible costs outlined in Part I, PEMD – Information for Industry, 1977.

	Estimated Costs	Crown Share
Economy Air Fare		
1 person Colombia-Canada-Colombia – \$1,100		\$550
10 days x 1 person @ \$25		<u>250</u>
	TOTAL CROWN CONTRIBUTION	\$800

Total amount to be claimed in the current government fiscal year.

If successful, repayment of Crown Contribution will be based on 1% of gross sales of the Company's products to Colombia.

**SAMPLE FORMAT:
APPLICATION – PEMD “E” (PHASE I) FEASIBILITY
STUDY FOR CONSORTIUM FORMATION
COMMERCIAL CONFIDENTIAL**

1. Titles:

Name of applicant company or group
Address
Principal contact (name, title, telephone number)
Date of this application

2. Project outline:

- 2.1 Type of products
- 2.2 Companies which have agreed to collaborate in proposed Phase I study, (Tabulate as follows for each company in the group)
Name and address of company
Product(s) or services available for export
Approximate present annual output of products (s) services (s) concerned
Export experience
- 2.3 Before making this application, the participants should have already done (at their own expense) sufficient pre-feasibility work to be able to justify the reasons for which a study for the formation of a consortium is necessary. This preliminary work should include details on the following:
1. How will economies be realized through the joint marketing of consortium members' products; an estimate of those economies; other significant benefits expected to accrue through the formation of a consortium.
 2. The extent to which collective export sales will increase over and above those that could reasonably be expected from the individual firms.
 3. A preliminary market plan, showing priority markets being considered. Initial contact with the Trade Commissioners abroad on these matters is recommended in the course of research.
 4. Firms with complementary products should provide evidence of the feasibility of product and/or system integration.
 5. Indicate which firm will be the lead applicant for the co-ordination of the proposal until the consortium is formed and staffed. The participants should provide comprehensive information on each member firm including a description of products, production capacity, volume of domestic and export sales, price competitiveness, financial summary and managerial background and expertise.

3. Statement of Work and Estimate of Contribution

- 3.1 State the objective of the work for which a contribution is proposed. (Summary Statement)
- 3.2 Provide a summary of questions and topics to be studied, and an outline of the study program. This should include all items required for the Phase I report. (See the Sample Report Format immediately following)
- 3.3 Provide an estimate of the Crown contribution requested for the above study program. The estimates should be sufficiently detailed to show the manpower, time and expenses expected to apply to each item in the study program outlined in 3.2 and other costs for which a Crown contribution is sought.
- 3.4 Forecast of amounts to be claimed on this project in:
a) current Government fiscal year (ending March 31)
b) future fiscal years

(NOTE: This statement will form the basis of any resulting Formal Agreement)

4. Documentation required

Audited financial statements and a Letter of Intent from each member firm agreeing to participate in Phase I and pay an appropriate share of estimated costs, if the application is approved. Provide evidence of contact with the Department of Consumer and Corporate Affairs concerning possible infringements of the Combines Investigations Act.

SAMPLE – PHASE I REPORT FORMAT, SECTION “E”.
COMMERCIAL CONFIDENTIAL

1.
 - i. Name and address of proposed consortium.
 - ii. Name and title of responsible officer.
 - iii. Telephone and telex numbers.
2.
 - i. Details of member firms in the proposed consortium including company names, addresses, products and services to be exported through consortium.
 - ii. Breakdown of domestic gross annual sales and export sales for each company.
3.
 - i. Export markets studied and conclusions.
 - ii. Three year marketing plan with sales forecast.
 - iii. Priority markets to be established.
 - iv. Sales strategy including pricing policy, method of distribution and competitive position.
4. Type of Consortium Structure Proposed:
 - i. Legal, joint stock limited liability company; co-operative society; partnership of companies.
 - ii. Membership obligations; conditions of withdrawal; conditions for acceptance of new members.
 - iii. Terms of sale of products and services to the Consortium by a member firm.
 - iv. Directorships.
 - v. Combines Investigation Act – legal opinion relative to this legislation.
5.
 - i. Management and staff requirements.
 - ii. Offices and equipment needs.
 - iii. Warehousing needs.
 - iv. Transportation and distribution methods.
 - v. Production commitments for export through the consortium (in both, absolute and percentage terms).
6. Production and Marketing Requirements.
 - i. Description of the potential economies to be achieved through the consortium approach, e.g. reduced unit costs of development and production, handling, freight and distribution costs.
 - ii. Description of the anticipated improvement in sales potential through joint marketing as compared to individual export sales performance.
7. Financial Forecast:
 - i. Shareholders equity investment and financial contributions.
 - ii. Sources of financing (including requirements for bid performance bonds and insurance guarantees, if applicable).
 - iii. Cash flow statements.
 - iv. Operating and marketing costs schedule.
 - v. Statement of projected revenues.
 - vi. Pro-forma statements of “Profit and Loss”.
 - vii. Anticipated break-even date.
8. Conclusion as to feasibility.

SAMPLE FORMAT:
APPLICATION – PEMD “E” (PHASE II)
FORMATION OF EXPORT CONSORTIUM
COMMERCIAL CONFIDENTIAL

Formation and Initial Operation of the Consortium.

The group, if already a legal entity, or the lead company in the group, should prepare and forward the following documents:

1. A report providing the information required at the end of a positive Phase I feasibility study. (See the sample Phase I project report).
2. A detailed statement showing the sources of funding as related to the three year financial forecast in the Phase I report. This should include confirmation from the member companies of the type of financing to be provided in the form of equity capital, shareholders loans, member's assessments, bank loans and guarantees, and other sources of financing developed.
3. A detailed Statement of Work and Estimate of Contribution showing the total operating costs, the eligible costs, the companies' share and the requested Crown contribution.
4. A copy of the legal agreement signed and executed by the member companies undertaking to form the consortium and to commit a certain percentage of their production to export markets, together with the terms and conditions of the association.

II. B. FORMAL AGREEMENT (CONTRACT) FOR ALL SECTIONS

1. A company or group of companies whose application is approved by the Department will be required to enter into a Formal Agreement with the Crown. This Agreement (or contract) will include a specific Statement of Work and a schedule of approved eligible expenses. These will be based on the cost estimates and work proposals contained in the initial application. The maximum Crown contribution and statement of approved work may not be exceeded or the terms changed without prior written approval from the Department.
2. The contract covers three time periods over a span of five years:
 - a) The "work period", of one year (12 calendar months) commencing on the "effective date", during which the approved work must be completed and claims submitted along with the Project Report.
 - b) A period of two years following the "work period" during which the company is obliged to submit Business Data Reports and to repay the Crown on business obtained as a result of the project.
 - c) A further period of two years during which the Company must maintain complete accounts pertaining to the project.
3. The company's books are subject to audit at any time during the five year duration of the contract.

Any request for variation in the terms of the contract must be made in writing to the Department and must be approved in writing prior to the commencement of a changed work program or any alteration in the costs incurred. No work performed without such approval will be considered eligible for cost-sharing.

4. Accounting Principles:

Accurate records must be maintained by the Company of all eligible and actually incurred costs pertaining to the project.

The cost records are to be computed using accepted and consistently applied accounting practices. They are to be maintained and be readily available to the Department for a period of five years following the "effective date" of the Agreement.

A sample of the Formal Agreement follows:



Industry, Trade
and Commerce

Industrie
et Commerce

PROGRAM FOR
EXPORT
MARKET
DEVELOPMENT

PROGRAMME
DÉVELOPPEMENT
DES MARCHÉS
D'EXPORTATION

COMMERCIAL &
CONFIDENTIAL
(once completed)

COMMERCIAL ET
CONFIDENTIEL
(une fois rempli)

Project No. - *Projet n°*

THIS AGREEMENT made

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le

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jour de

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BETWEEN:

HER MAJESTY THE QUEEN in right of Canada (hereinafter called "Her Majesty") represented by and acting through the Minister of Industry, Trade and Commerce, hereinafter called "the Minister",
OF THE FIRST PART

LA PRÉSENTE CONVENTION établie

ENTRE:

SA MAJESTÉ DU CHEF DU CANADA (ci-après appelée "Sa Majesté") représentée aux présentes et agissant par le Ministre de l'Industrie et du Commerce,
ci-après dénommé "le Ministre",
D'UNE PART

AND:

ET:

hereinafter collectively called "the Company",
OF THE SECOND PART

ci-après appelée collectivement "la Société",
D'AUTRE PART

WHEREAS in order to promote and increase Canadian exports Her Majesty is prepared to contribute to the costs incurred by companies in undertaking and performing certain kinds of work calculated to penetrate foreign markets;

ATTENDU QUE pour promouvoir et accroître les exportations canadiennes, Sa Majesté est disposée à payer une partie des frais des sociétés qui entreprennent et exécutent certains travaux nécessaires à une implantation sur les marchés étrangers;

AND WHEREAS the Company requires financial assistance to perform such work and is prepared to undertake and perform the work hereinafter described and Her Majesty is prepared to contribute to the costs thereof on the terms and conditions hereinafter mentioned.

ET ATTENDU QUE la Société a besoin d'une aide financière pour exécuter ces travaux et qu'elle est disposée à entreprendre et à exécuter les travaux mentionnés ci-après, et que Sa Majesté est disposée à payer une partie des frais, suivant les modalités mentionnées aux présentes.

NOW, THEREFORE, THIS AGREEMENT WITNESSED that in consideration of the premises, covenants and agreements herein contained, the parties hereto covenant and agree as follows:

EN CONSÉQUENCE, LA PRÉSENTE CONVENTION ATTESTE QU'aux termes des conditions, ententes et accords exposés ci-dessous, les parties conviennent de ce qui suit:

1. (1) The Company will proceed diligently and in a good and workmanlike manner, using qualified personnel therefor, with the work described in Schedule #1 hereto attached, hereinafter called the "Work".

1. (1) La Société devra exécuter avec diligence et conscience professionnelle, en employant un personnel qualifié, le travail qui figure à l'annexe #1 ci-jointe, ci-après nommé les "Travaux".

(2) The Company will not change or enlarge the general scope of the Work without the prior written approval of the Minister.

(2) La Société ne modifiera ni n'élargira le programme général des Travaux sans obtenir au préalable l'approbation écrite du Ministre.

2. Subject to section 3 of this Agreement Her Majesty will contribute to the Company part of the necessary and reasonable costs of the Work incurred in an amount to be determined by officers of the Department of Industry, Trade and Commerce in accordance with paper entitled "Eligible Costs", on and after

2. Sous réserve de l'article 3 de la présente convention, Sa Majesté fournira à la Société une contribution à une partie des frais nécessaires et raisonnables des Travaux dont le montant sera déterminé par les agents du Ministère de l'Industrie et du Commerce en accord avec le document intitulé "Frais admissibles", à compter

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the effective date of this Agreement, provided that such payment may, in the discretion of the Minister, be subject to an audit of the costs by a person authorized by the Minister and provided further that notwithstanding anything herein contained, Her Majesty's liability for the payment of monies under this Agreement shall not exceed the sum of

date de l'entrée en vigueur de la présente convention et lesdits frais pourront, à la discrétion du Ministre, être vérifiés par une personne habilitée à cette fin par le Ministre; en outre, nonobstant les dispositions susmentionnées, la responsabilité de Sa Majesté pour le paiement des sommes ci-dessus ne doit pas excéder la somme de

(\$

) dollars.

3. Notwithstanding any other provisions of this Agreement, Her Majesty's obligation to contribute under this Agreement shall be conditional upon the fulfillment of the following conditions namely:

3. Nonobstant toute autre disposition de la présente convention, l'obligation de Sa Majesté de fournir une contribution en vertu de ladite convention sera assujettie à l'exécution des conditions ci-après:

(1) The Company shall proceed with the Work as required by section 1 of this Agreement and shall, not later than

(1) La Société procédera à l'exécution des Travaux selon les dispositions de l'article 1 de la présente convention et devra, au plus tard

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i) complete the Work, and

i) achever les Travaux et

ii) submit a certified claim with respect to any payment, claimed by the Company and a final statement of

ii) adresser une demande visée de paiement concernant tout paiement, réclamé par la Société et un état

the costs of the Work. The certified claims, and the final statement of the costs of the Work shall be made on the form entitled "Claim for Payment" attached hereto, showing the necessary and reasonable costs of the Work incurred and paid and shall be accompanied by such relevant vouchers, invoices and other documents as the Minister may require. The final statement of the costs of the Work shall, if the Minister so requires, be one certified by the External Auditors of the Company. Upon the approval of the Department of each progress claim submitted pursuant to this application Her Majesty will pay to the Company all of Her Majesty's share of the amount thereof until the amount payable by Her Majesty pursuant to this Agreement shall have been paid,

(2) the Company shall within the time limit set out in subsection (1) of this section or forthwith after the completion of the Work, whichever shall first occur, complete and submit to the Department,

- i) a project report in writing on the performance of the Work sufficient to satisfy the Minister, and
- ii) a final claim for payment certified by the External Auditor of the Company, where "in house" costs are included.

(3) time shall be of the essence with respect to the date and time limits set out in this section. If the Company fails to comply strictly with such time limits all of Her Majesty's obligations under this Agreement shall cease forthwith. It shall be in the sole discretion of the Minister to decide whether an extension of time should be granted under any particular circumstances but under no circumstances will an extension of time be granted unless the same is applied for in writing not more than 30 days after the date mentioned in subsection (1) of this section.

4. (1) Within 15 days after each of the first and second anniversaries of the Effective Date of this Agreement, the Company will furnish the Minister with a business data report setting out in form and detail, satisfactory to the Minister, particulars of all sales during the preceding year, arising out of or attributable to the Work.

(2) Within 15 days after the third anniversary of the Effective Date of this Agreement, the Company will furnish the Minister with a final business data report setting out in form and detail satisfactory to the Minister, particulars of all sales during the preceding three years, resulting from the Work.

(3) Should the Company, at any time after the execution of this Agreement, elect to cancel or withdraw its application for her Majesty's contribution, or in any way waive or lose its right to receive the same, then the Company shall nevertheless, remain obligated to report to the Minister annually for a period of 3 years from the Effective Date of this Agreement, the total value of sales made by the Company arising out of or attributable to the Work.

5. (1) If the Company, its successors, assigns or licensees obtains a contract or contracts directly or indirectly for the provision of goods, services or other products for a foreign market, which in the opinion of the Minister, is or are obtained as a result of the Work or part performance thereof the Company shall forthwith advise the Minister thereof and:

- i) if the Work has been approved by the Program for Export Market Development Section A (Capital Projects) the Company will repay to Her Majesty an amount equal to the total amount paid by Her Majesty pursuant to section 2, in two equal payments the first to be made within six (6) months after the date of obtaining the contract or contracts and the second to be made within twelve (12) months after the date of obtaining the contract or contracts;

final du coût des Travaux. Les demandes visées de paiement, et l'état final du coût des Travaux seront présentés sur la formule intitulée "Demande de paiement" annexée à la présente en y indiquant les dépenses raisonnables et nécessaires engagées et payées; les demandes doivent être accompagnées des pièces justificatives, factures et autres documents pertinents que le Ministère peut exiger. L'état final du coût des Travaux sera, si le Ministre l'exige, visé par des vérificateurs indépendants de la Société. Lorsque le Ministère a approuvé chaque paiement partiel conformément à cette demande, Sa Majesté doit verser à la Société la part du montant de ladite demande qu'Elle doit payer, à concurrence de la somme payable par Elle aux termes de la présente convention.

(2) La Société devra, dans le délai prévu au paragraphe (1) du présent article ou immédiatement après l'achèvement des Travaux, et à la première de ces dates, adresser au Ministère,

- i) un rapport de projet écrit sur l'exécution des Travaux qui satisfasse le Ministre et*
- ii) une demande finale de paiement, certifiée conforme par un vérificateur indépendant à la Société; dans tous les cas où des "coûts internes" sont inclus.*

(3) Le temps est de l'essence du présent article, ainsi que les dates ou délais y spécifiés. Si la Société n'observe pas strictement lesdits délais, toutes les obligations contractées par Sa Majesté aux termes de la présente convention cesseront sur-le-champ. Seul le Ministre peut décider, s'il y a lieu, de proroger les délais en raison de circonstances particulières, mais une telle prorogation ne pourra être accordée que sur demande écrite déposée dans les 30 jours de la date indiquée au paragraphe (1) du présent article.

4. (1) Dans les 15 jours qui suivront le 1^{er} et le 2^e anniversaires de l'entrée en vigueur de la présente convention, la Société établira à l'intention du ministre, suivant des normes qu'il jugera satisfaisantes, un bilan de son activité commerciale, détaillant toutes les ventes directement ou indirectement attribuables aux Travaux, durant l'année écoulée,

(2) Dans les 15 jours qui suivront le 3^e anniversaire de l'entrée en vigueur de la présente convention, la Société établira à l'intention du ministre, suivant des normes qu'il jugera satisfaisantes, un bilan définitif de son activité commerciale, détaillant toutes les ventes attribuables aux Travaux durant les trois années précédentes.

(3) Au cas où la Société déciderait, après la mise en application de la présente convention, d'annuler ou de retirer sa demande en vue d'obtenir une contribution de sa Majesté, ou si elle venait à se désister ou à être privée du droit à cette contribution, elle devra nonobstant et durant 3 ans à partir de l'entrée en vigueur de la présente convention adresser au ministre un état annuel des ventes effectuées qui sont directement ou indirectement attribuables aux Travaux.

5. (1) Au cas où la Société, ses successeurs, ses ayants droit ou des détenteurs de licences obtiendraient directement ou indirectement un ou plusieurs contrats pour fournir à un marché étranger des biens, services ou autres produits, contrat qui, de l'avis du Ministre, a été obtenu à la suite de la réalisation complète ou partielle des Travaux, la Société doit en aviser le Ministre sans délai et:

- i) si les Travaux ont été approuvés par le Programme de Développement des Marchés d'Exportation, Section A (Projets d'investissement), la Société doit rembourser à Sa Majesté une somme égale à la somme totale que Sa Majesté a versée conformément à l'article 2, en deux versements égaux, le premier devant avoir lieu six (6) mois au maximum après la date d'obtention du ou des contrats, et le second douze (12) mois au maximum après cette date;*

ii) if the Work has been approved by Section B, C or D of the Program for Export Market Development the Company will repay to Her Majesty an amount equal to one percent (1%) of the gross value of sales made pursuant to such contract or contracts in consecutive annual instalments;

a) for a period of three (3) consecutive years from the effective date of this Agreement;

b) or until such amount is equal to the amount paid by Her Majesty.

Whichever event shall occur first.

(2) Notwithstanding subsection (1) if the Company, for reasons acceptable to the Minister, ceases or is unable to provide goods, services or other products as contemplated in subsection (1), the Minister may, in his discretion, suspend or postpone repayment by the Company for an appropriate period or, if he considers that the circumstances so warrant, dispense with repayment and release the Company from its obligation to repay pursuant to this Agreement.

(3) Upon request by the Company the Minister may, in his discretion, alter the terms of repayment to Her Majesty.

6. The Company, in purchasing goods or services for the performance of the Work, will use Canadian suppliers and sub-contractors to the extent that they are capable of providing such goods and performing such services in an economic and expeditious manner and will use Canadian goods and products to the extent that it is economically feasible to do so.

7. (1) The Company will keep proper books, accounts and records of the cost of the Work and will keep them available for examination by any person authorized by the Minister for a period of at least five (5) years following the completion or cessation of the Work.

(2) The Company will keep proper books, accounts and records of the sales made pursuant to this Agreement for a period of at least five (5) years following the completion or cessation of the Work and the Minister may have them audited and examined at any time.

8. The Minister will maintain normal commercial security and privacy in respect to the Work and will not disclose any information relating to the Work to any person outside Canadian Federal or Provincial Government Departments and Agencies without prior written consent of the Company.

9. (1) If the Company, in the opinion of the Minister, fails to proceed diligently with the Work, or is otherwise in default under this Agreement the Minister, by giving notice in writing to the Company, may terminate the obligations on the part of Her Majesty to contribute or to continue to contribute to the costs of the Work and may further direct the Company to repay (and the Company shall thereupon forthwith repay) all monies contributed by Her Majesty.

(2) Support under this agreement does not imply endorsement by Her Majesty of the Company, its products or services and any reference to such support by the Company may be considered grounds for termination of the Agreement pursuant to subsection (1).

10. For so long as this Agreement is in force the Company will, to the satisfaction of the Minister, submit to the Minister periodic reports on the progress and results of the Work, and such other information as may be requested by the Minister.

11. Unless otherwise agreed to in writing by the Minister this Agreement shall remain in full force and effect for a period of five (5) years commencing on the effective date hereof.

ii) si les Travaux ont été approuvés aux termes des sections B, C ou D du Programme de Développement des Marchés d'Exportation, la Société doit rembourser à Sa Majesté une somme égale à un pour cent (1%) de la valeur brute des ventes effectuées aux termes de ce ou ces contrats, en versements annuels consécutifs;

a) pendant une période de trois (3) années consécutives après la date d'entrée en vigueur de la présente convention;

ou b) jusqu'à concurrence de la somme versée par Sa Majesté;

selon l'éventualité qui se réalise la première.

(2) Nonobstant le paragraphe (1), si la Société, pour des motifs que le Ministre juge acceptables, cesse ou est dans l'impossibilité de fournir des biens, services ou autres produits mentionnés audit paragraphe, le Ministre peut, s'il le juge à propos, suspendre ou différer le remboursement par la Société pour une période appropriée, ou, s'il juge que les circonstances l'exigent, dispenser de remboursement et libérer la Société de ses obligations de remboursement, conformément à la présente convention.

(3) A la demande de la Société, le Ministre peut, s'il le juge à propos, modifier les conditions de remboursement à Sa Majesté.

6. Lorsqu'elle achète des biens ou des services pour l'exécution des Travaux, la Société doit s'adresser à des vendeurs et sous-traitants canadiens dans la mesure où ceux-ci peuvent fournir ces biens et services de façon économique et expéditive et elle doit utiliser des biens et des produits canadiens dans la mesure où cela est économiquement faisable.

7. (1) La Société doit tenir correctement les livres, comptes et dossiers des coûts des Travaux et les garder à la disposition de toute personne autorisée par le Ministre à les examiner pendant au moins cinq (5) ans après l'achèvement ou l'arrêt des Travaux.

(2) La Société doit tenir correctement les livres, comptes et dossiers des ventes effectuées aux termes de la présente convention pendant au moins cinq (5) ans après l'achèvement ou l'arrêt des Travaux et le Ministre peut, en tout temps, les faire examiner et vérifier.

8. Le Ministre doit prendre les mesures habituelles pour assurer le secret des Travaux et ne révéler aucun renseignement à leur sujet à quiconque hors des ministères et organismes fédéraux ou provinciaux du Canada sans avoir obtenu au préalable le consentement écrit de la Société.

9. (1) Si, de l'avis du Ministre, la Société néglige de poursuivre diligemment les Travaux, ou contrevient de quelque autre manière aux dispositions de la présente convention, le Ministre peut, en avisant la Société par écrit, dégager Sa Majesté de son obligation de défrayer, ou de continuer à défrayer, les Travaux et peut par la suite ordonner à la Société de rembourser (et le Société doit alors rembourser sans délai) toutes les sommes versées par Sa Majesté.

(2) En vertu du présent accord, le soutien ne signifie pas que Sa Majesté endosse la Société, ses produits ou ses services et toute référence de ce soutien par la Société pourra être considérée comme motif valable pour résilier l'accord conformément au paragraphe (1).

10. Tant que la présente convention demeurera en vigueur, la Société doit, à la satisfaction du Ministre, lui fournir périodiquement des rapports sur l'état des Travaux, ainsi que tout autre renseignement que peut exiger le Ministre.

11. A moins que le Ministre n'en décide autrement par écrit, la présente convention demeurera en vigueur pendant cinq (5) ans à partir de sa date d'entrée en vigueur.

12. (1) If, during the currency of this Agreement, the Company determines on the basis of technical, marketing, financial or other considerations that the Work should not be proceeded with, the Company will consult the Minister with respect to such determination and may then request that the Agreement be terminated.

(2) The Minister may, in terminating this Agreement pursuant to subsection (1), require the Company to accept such terms and conditions not inconsistent with this Agreement as the Minister considers necessary.

13. No member of the House of Commons shall be admitted to any share or part of this Agreement or to any benefit to arise therefrom.

14. This Agreement shall not be assigned by the Company without the prior written consent of the Minister.

15. (1) Any notice to the Company hereunder shall be effectively given if sent by letter or by telegram, postage prepaid or with charges prepaid as the case may be, addressed to the Company at its address as given in this Agreement or if no address is so given at its address as shown by the records of this Department.

(2) Any notice given pursuant to subsection (1) shall be deemed to have been received by the Company at the time when in the ordinary course such letter or telegram should have reached its destination.

16. This Agreement including Schedule #1 and forms "Eligible Costs", "Claim for Payment" and "Project Report" constitute the entire contract between the parties hereto with respect to the subject matter hereof and supersedes all previous negotiations and documents relating thereto.

IN WITNESS WHEREOF this Agreement has been executed on behalf of Her Majesty the Queen in right of Canada by an officer of the Department of Industry, Trade and Commerce duly authorized by the Minister of Industry, Trade and Commerce, and by the Company having its corporate seal affixed hereto attested by the hands of its proper officers duly authorized in that behalf.

FOR DEPARTMENT SIGNATURE ONLY
SIGNED, SEALED AND DELIVERED
in the presence of
DEPARTMENT OF INDUSTRY,
TRADE AND COMMERCE

Per (Name and Title)

FOR COMPANY SIGNATURE ONLY
Corporate Seal – Name of Company

Per:
Per:

Witness:

12. (1) Si la Société constate, pendant la durée de la présente convention, que, pour des raisons d'ordre technique, commercial, financier ou autre, il faut abandonner les Travaux, elle doit consulter le Ministre à ce sujet, et peut alors lui demander la résiliation de la présente convention.

(2) Le Ministre peut, en résiliant la présente convention, imposer à la Société certains modalités et conditions non incompatibles avec la présente convention et qu'il juge nécessaires.

13. Aucun député à la Chambre des communes ne peut être partie à la présente convention ou profiter des avantages qui en découlent.

14. La présente convention ne peut être cédée par la Société sans le consentement écrit du Ministre.

15. (1) Tout avis adressé à la Société aux termes des présentes est censé être effectivement donné s'il lui est envoyé par lettre ou par télégramme, port payé ou frais d'envoi acquittés, selon le cas, à l'adresse de la Société figurant dans la présente convention, ou, si l'adresse n'y est pas mentionnée, à l'adresse indiquée dans les dossiers du Ministère.

(2) Tout avis donné conformément au paragraphe (1) est censé avoir été reçu par la Société le jour où, compte tenu des délais habituels de livraison du courrier, cette lettre ou ce télégramme aurait dû arriver à destination.

16. La présente convention y compris l'annexe #1 ainsi que les documents intitulés "Frais admissibles", "Demande de paiement" et le "Rapport de projet", constitue la seule entente entre les parties au sujet de la question mentionnée et elle annule et remplace toute négociation ou tout document antérieurs afférents.

EN FOI DE QUOI la présente convention a été signée au nom de Sa Majesté du chef du Canada par un agent du Ministère de l'Industrie et du Commerce habilité à cette fin par le Ministre de l'Industrie et du Commerce, et par la Société dont le cachet est apposé aux présentes et authentifié de la main de ses agents habilités à cette fin.

RÉSERVÉ AU MINISTÈRE
SIGNÉ, SCELLÉ ET DÉLIVRÉ
en présence de
MINISTÈRE DE
L'INDUSTRIE ET DU COMMERCE

Par (Nom et titre)

RÉSERVÉ À LA SOCIÉTÉ
Sceau et nom de la Société

Par:
Par:

Témoin:

II. C. Project Report Commercially Confidential

Upon the completion of the approved work, whether successful or otherwise, the Company is obliged to submit a Project Report to the Department.

The report must follow the format shown and should contain as much information as possible under each heading. The reports assist the Department to evaluate the performance of the Program and to ensure that it meets the needs of Canadian exporters.

NOTE: The reporting obligation stated above applies to all companies who obtain approval of an application for assistance under PEMD. This includes firms who, by virtue of their success, choose not to claim against the approved funds.

Project Report

In accordance with the agreement between your company and the Department for assistance under the Program for Export Market Development, a written report is required upon completion of the project.

Following are a series of questions which the company should use as a guide in the preparation of this report. The desire of the Department is to have a company prepare a brief report with a view to providing a guide to other Canadian companies and the Department for future activities in foreign markets.

All information relating to the specific operations of your company will be held in confidence.

Part I

Information provided in this part is for departmental use only.

1. Did you achieve the objective as stated in the agreement? If not completely, to what extent did you achieve the objective, (e.g. on a capital project, what position was your bid relative to other competitors?) What plans do you have for this market now, as a result of this project?
2. What factors govern success or lack of success for your products in this market? Below are some examples:
 - major competition and what market strategy do they use?
 - do these competitors have financial support from their governments, what do you know about how it works?
 - transportation costs and facilities, best routes and distribution points;
 - availability of financing, does the local government restrict foreign spending?
 - potential market growth;
 - market size;
 - government regulations;

- agents (availability) which ones did you contact, how, did you learn about them, did you appoint one, if so, whom?
- product modifications required (will you need changes in packaging, name, external or internal design)?
- other incentives offered by this Department;
- were there opportunities for licensing agreements, with whom?
- if exhibiting at a trade fair was involved, was the quality of workmanship on your exhibit booth satisfactory, was the cost reasonable in relation to other Fairs you have attended?

Part II

Information provided in this part may be distributed to other interested firms.

1. What difficulties did you encounter that you feel are inherent in the geographical area examined? Below are some examples.
 - language;
 - patronage;
 - accessibility (travel);
 - accessibility of officials;
 - indigenous social customs;
 - cost estimates (were the allowances set out for travel, accommodation, etc. sufficient?)
2. Are any of these problems specific to the industry or industries you are examining?
3. What specific suggestions would you offer other Canadian firms entering this market?
4. In addition to the above information some firms in your area might appreciate having an opportunity to discuss with you, or others directly involved in your project, your experiences in working in foreign markets. Would you be prepared to meet informally with parties that express such interest? (Arrangements would be made through the Department of Industry, Trade and Commerce.)

II. D. Claims Procedures

1. All claims for reimbursement under the terms of the Agreement must be submitted on the "Claim for Payment" form. A sample is shown on page 27. As the approved work progresses during the 12 months period, interim or progress claims will be accepted, however, the final claim against approved funds must be received by the Department within 30 days following the completion of the approved work or the expiry of the "work period" whichever comes first.
2. Claims submitted for reimbursement must be reconciled with the approved schedule of costs and the statement of work.
 - a) Claims for personnel time away from the normal place of business, including travel time, require submission of air line tickets, receipts for payments made for such tickets, and sufficient hotel bills to substantiate continued absence for the period of the trip.
 - b) Claims for professional time or equivalent personnel time incurred at the normal place of business and/or special unusual costs incurred internally by the company, require verification by an external auditor.
 - c) Special or unusual costs incurred externally by the company require proof of payment for goods and/or services purchased. All vouchers must be submitted with the claim. Photocopies or original invoices or bills (including bills of lading and airline tickets) are acceptable, but must clearly show receipt of payment by the supplier.

CLAIM FOR PAYMENT

- INSTRUCTIONS: A single type written copy to be submitted to IT & C project officer
- Français au verso

Claim No.	1	Check <input checked="" type="checkbox"/> If Final Claim
Period Covered	Jan. 15-May 15, 1980	

PART 1 IDENTIFICATION

Name of Company	XYZ Limited	Telephone No.	(416) 333-1223
Address	55 Station Street, Anyville, Ontario. J8R 2Z8		
Company Reference (if applicable)	AS STATED IN FORMAL AGREEMENT		
	Maximum Contribution	IT & C Project No.	
	\$ 2,123	B0 0123	

PART 2 CLAIM FOR CONTRIBUTION

	Previous Claim	Current	Total to date	Control Point (IT & C use only)
TOTAL	NIL	\$ 1,520	\$ 1,520	\$

DETAILS: Provide details of Contribution claimed in Part 2

Personnel Time (days)	12	x	70	=	\$ 840
Other Costs (detail) (provide copies of invoices for costs external to company)	\$ 670		Airfare		
	160		Shipping of samples		
	524		Translation and printing of literature		
TOTAL	\$ 1,360		(Crown Share) \$		680
			TOTAL		\$ 1,520

PART 3 CERTIFICATION

I certify that the time and costs described in this claim were incurred under the contract, that generally accepted and consistently followed accounting practices have been used, and that Her Majesty's payment will be applied to the project.

June 1, 1980

Date

J.R. Doe, Executive Vice-President

Signature and Title of Authorized Company Officer

I have examined the time and cost records of this project and have made such tests as seemed necessary. To the best of my knowledge, the time and costs have been determined in accordance with generally accepted and consistently followed accounting practices, and all invoices claimed have been paid. In my opinion, the time and costs are a proper charge against the project and are in accordance with the principles contained in paper reference PEMD/3, which forms part of the Formal Agreement.

Date

Signature and Title of External Auditor
(For in-plant time and costs)

I certify that this claim arises out of work performed in conformity with the terms of the contract, that the work is satisfactory, and that payment of Her Majesty's share of costs is in accordance with Section 27 of the Financial Administration Act.

Date

Signature and Title of Authorized
IT & C Project Officer

II. E. Repayment Procedures

1. Repayment Terms

The formal agreement with the Crown contains the specific repayment terms for an approved project.

These terms vary somewhat between the various sections of the Program and have been detailed in the description of the individual program sections. The terms are specific with regard to each individual project, describing products and areas in the agreement. The terms will be used to compute repayment requirements in successful projects. Repayment is not required if the project proves to be unsuccessful.

2. Reporting Requirements

For repayment and evaluation purposes the contract requires the company to submit a Business Data Report (shown on page 29) on three consecutive anniversaries of the "effective date" of the contract. The Report will show sales attributable to the project for the preceeding 12 months which will provide the basis for billing and for possible official audits. The Business Data Reports also assist the Department in evaluating the Program.

3. Invoicing

On the basis of the sales indicated on the Business Data Reports, the Department will compute the amount of the required repayment according to the terms of the contract. This amount will not exceed the amount of the total assistance provided by the Crown.

An official Government of Canada invoice (shown on page 30) will be issued to the company.

II. F. Business Data Report



Industry, Trade and Commerce / Industrie et Commerce

BUSINESS DATA REPORT

RAPPORT DE LA SITUATION DES AFFAIRES DE LA SOCIÉTÉ

TO BE COMPLETED BY COMPANY - À REMPLIR PAR LA SOCIÉTÉ

Company - Société XYZ Limited, 55 Station Street, Anyville, Ontario. J8R 2Z8	Project no. - <i>Projet n°</i> B0 0123	Effective Date - <i>Entrée en vigueur le</i> Jan. 15, 1980
	Payment received to date from Crown against this project \$ 1,520	<i>Déjà réclamé et payé par la Couronne pour ce projet</i>

TO BE COMPLETED FOR PROJECTS UNDER SECTION 'A' ONLY - À REMPLIR POUR PROJETS SOUS SECTION 'A' SEULEMENT

Contract obtained - <i>Contrat passé</i> <input type="checkbox"/> Yes / <i>Oui</i> <input type="checkbox"/> No / <i>Non</i>	Contract value - <i>Valeur du contrat</i>	Value to - <i>Somme qui va à</i>	
Date		Company - <i>La société</i>	Other Canadian suppliers <i>D'autres fournisseurs canadiens</i>
If contract not obtained, are negotiations still in progress? <input type="checkbox"/> Yes / <i>Oui</i> <input type="checkbox"/> No / <i>Non</i>	<i>Si le contrat n'est pas passé, les négociations sont-elles en cours?</i>	Probable likelihood of success - <i>Chance de réussite</i> <input type="checkbox"/> Good / <i>Bonne</i> <input type="checkbox"/> Fair / <i>Moyenne</i> <input type="checkbox"/> Poor / <i>Faible</i>	

TO BE COMPLETED FOR PROJECTS UNDER SECTIONS B, C, D, E ONLY - À REMPLIR POUR PROJETS SOUS SECTIONS B, C, D, E SEULEMENT

Country - <i>Pays</i>	Product - <i>Produit</i>	Amount of sales - <i>Montant des ventes après le</i>			
		1st 12 Months <i>1er 12 mois</i>	2nd 12 Months <i>2ième 12 mois</i>	3rd 12 Months <i>3ième 12 mois</i>	TOTAL
Germany, Belgium	Valves	15,250	25,100		\$40,350
Belgium, France, Netherlands	Pumps	30,250	40,250		\$70,500

I do hereby certify that the above information is correct

Je, soussigné, certifie l'exactitude des renseignements sous mentionnés

Executive Vice-President

Title of authorized company officer - *Titre de l'agent autorisé de la société*


Signature

Feb. 15, 1982

Date

II. G. IT&C Invoice



Government of Canada / Gouvernement du Canada

INVOICE

IN ACCOUNT WITH

FACTURE

AU COMPTE DE

XYZ Limited,
55 Station Street,
Anyville, Ontario.
J8R 2Z8

INVOICE NO. - N° DE FACTURE

Quote this number on all correspondence
Numéro à rappeler dans toute correspondance

DATE
March 1, 1982

ORDER REFERENCE - RÉFÉRENCE

PEMD - BO 0123

ORIGINATOR - EXPÉDITEUR
Department of Industry Trade and Commerce
Financial Services Branch

ADDRESS - ADRESSE
4th Floor, Place de Ville,
300 Queen Street,
Ottawa, Ontario. K1A 0H5

Mail Cheque or Money Order (Payable to Receiver General for Canada) with copy of invoice to

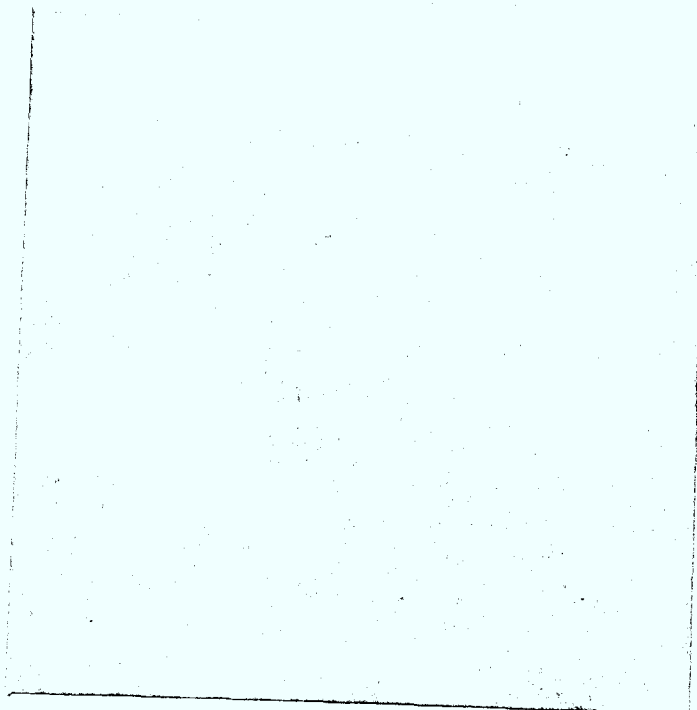
Envoyer votre chèque ou mandat (à l'ordre du Receveur Général du Canada) accompagné d'un exemplaire de la facture à

ORIGINATOR L'EXPÉDITEUR

DATE OF SERVICE DATE	PARTICULARS OF MATERIEL/SERVICES DÉTAIL DU MATÉRIEL OU DES SERVICES	QUANTITY QUANTITÉ	UNIT PRICE PRIX UNITAIRE	AMOUNT MONTANT
	Recover of contributions made under the Program for Export Market Development			
	1% of sales totalling \$110,850 as per your Business Data Report received February 21, 1982?			1,108 50
			AMOUNT DUE MONTANT DÙ	1,108 50

DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE REGIONAL OFFICES

NEWFOUNDLAND LABRADOR	Director 210 Water Street St. John's, Newfoundland A1C 1A9	Tel: (709) 737-5511 Telex: 016-4749
NOVA SCOTIA	Director Suite 1124, Duke Tower 5251 Duke Street, Scotia Square Halifax, Nova Scotia B3J 1N9	Tel: (902) 426-7540 Telex: 019-21829
NEW BRUNSWICK	Director Suite 642 440 King Street Fredericton, New Brunswick E3B 5H8	Tel: (506) 454-9707 Telex: 014-46140
PRINCE EDWARD ISLAND	Director Dominion Building 97 Queen Street Charlottetown, Prince Edward Island C1A 8C1	Tel: (902) 892-1211 Telex: 014-44129
QUÉBEC	Le directeur Bureau 2124, Place Victoria C. P. 257 Tour de la Bourse Montréal (Québec) H4Z 1J5	Tél: (514) 283-6254 Télex: 055-60768
	Le directeur Bureau 620 2, Place Québec Québec (Québec) G1R 2B5	Tél: (418) 694-4726 Télex: 051-3312
ONTARIO	Director Commerce Court West 51st Floor P.O. Box 325 Toronto, Ontario M5L 1G1	Tel: (416) 369-3711 Telex: 065-24378
	Regional Officer 9th Floor 240 Sparks Street Ottawa, Ontario K1A 0H5	Tel: (613) 996-1216 Telex: 053-4124
MANITOBA	Director Suite 1104, Royal Bank Building 220 Portage Avenue Winnipeg, Manitoba R3C 0A5	Tel: (204) 985-2381 Telex: 075-7624
SASKATCHEWAN	Director Room 980 2002 Victoria Avenue Regina, Saskatchewan S4P 0R7	Tel: (306) 569-5020 Telex: 071-2745
ALBERTA NORTHWEST TERRITORIES	Director 500 Macdonald Place 9939 Jasper Avenue Edmonton, Alberta T5J 2W8	Tel: (403) 425-6330 Telex: 037-2762
BRITISH COLUMBIA YUKON	Director P.O. Box 49178 Suite 2743 Bentall Centre, Tower III 595 Burrard Street Vancouver, British Columbia V7X 1K8	Tel: (604) 666-1434 Telex: 04-51191



INDUSTRY CANADA/INDUSTRIE CANADA



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