

IFI Bidding Success Factors and Support Needs

and winning only part of the time, then the work has to have a good profit margin to compensate". [23]

- The slow approval process and ceiling of \$US100,000 on fees for jobs financed through the Canadian trust funds at the IFIs discourages the firm from bidding. "\$100,000 does not go very far in China". The firm believes that other donors [Denmark, Great Britain, Japan] are quickly able to put together much larger packages of funding for such technical assistance projects, in the range of \$1 to \$3 million. This gives them a substantial advantage and positions them well for follow-on work. [25]
- When CIDA INC stopped giving fee advances, it became more difficult for small companies to participate. The company cannot itself finance a first phase of a substantial project. EDC is of limited use in this regard, as well, since the corporation only works with companies that can show three successive years of billings over one million dollars. [25]
- "Our main competition is the Australians – they can tap into AusAid funds more easily than we can CIDA." [30]
- Proposals are very expensive and risky. It costs between \$25,000 and \$50,000 per proposal. [31]
- Bidding on IFI-funded work is "medium to high in details." There are a lot of small rules such as signing every page, providing information in the forms and format required, and including warranties clauses in just the right way. [43]

2.7 Logistics

The interviewees see the IFI-financed market as logistically difficult, both in the marketing phase and in the work phase. Most of the logistics problems are caused by distance and by the wide variety of countries involved.

Canada does not have a natural hinterland of developing or emerging economies, in contrast with say Germany or France. Nor does it have the deep knowledge and networks developed by the ex-colonial powers sometimes over hundreds of years. Even the United States, with its large Spanish speaking population and contacts with Central and South America and the Caribbean, is better placed in some respects than Canada to serve such markets.

Logistics is one of the areas where interviewees think that DFAIT could do more to help. For example, businesses tend to value DFAIT's making of appointments for visiting Canadians with key contacts in remote locations [that is, remote from Canada] more than DFAIT does at present.