

IFI Bidding Success Factors and Support Needs

about 2.5% of world GDP. So our performance in regard to goods procurement and civil works is roughly in line with our world production share. Canada's performance in obtaining IFI consulting business is well above its world production share.

The U.N.-affiliated agencies show a somewhat different picture. In general, services are a larger part of their procurement. Thirty affiliated agencies spend approximately US\$3 billion each year, of which 45% is spent on professional services.

2.2 The IFI Market – Attractions, Constraints and Changes

[1] Direct Sales to the IFIs

There are a number of attractive features of the multilateral development banks as direct clients:

- Professional fees are relatively generous. Partly because of the erosion of the value of the Canadian dollar relative to the American dollar, it is not unusual for a Canadian company or individual to obtain a per day professional fee rate from an IFI that is 50% higher than, for example, CIDA would pay the same firm or person. Fee differentials have widened even further as the Canadian dollar has lost value against the American dollar during the first quarter of 2001.
- The work is interesting and professionally stimulating. The IFIs pride themselves on providing intellectual leadership to the development community, and the professionals whom they engage often find themselves working on challenging and worthwhile projects in the company of other professions from whom they can learn.
- Eastern Canadians are advantaged by their relative proximity to Washington D.C. where several IFIs are headquartered, and to the Caribbean Development Bank in Barbados.

There are few significant disadvantages to working in this market. It has become more transparent in recent years, and it values high quality work. The main change in the market is a recent decentralization of World Bank operations so that its country directors are now mostly resident in developing countries rather than in Washington.

[2] Procurement by the Borrowing Member Countries

Procurement by the BMCs is very different from direct procurement by the multilateral banks themselves, although the two are conducted under the same set of rules. The only thing that these have in common is that they have components that the borrower has agreed to procure by international tender and that these international tenders are subject to IFI rules.

However, our interviewees made it very clear that this market is a difficult one. Projects tend to be remote from Canada, often in locations that are financially risky, uncomfortable or dangerous. Logistics may be difficult and expensive. The competitive process is frequently