# Canadian Procurement Performance at the World Bank and Inter-American Development Bank

## Summary

The purpose of this report is to summarize Canadian procurement success at the World Bank (WB) and the Inter-American Development Bank (IDB) during the 1991/1992 fiscal years, and review Canada's procurement performance over the past several fiscal years. The report also identifies some possibly significant trends with respect to World Bank and IDB lending, and the implications and outlook for commercial opportunities for Canada in the future.

**Total Disbursements to Canada**

At the World Bank, **total** cash disbursements to Canadian firms *in* FY (fiscal year) 1992 amounted to $167 million[1], a slight decline from the FY 1991 figure of $173 million and placing Canada as the twelfth largest beneficiary of World Bank lending.[2] Canada's share of foreign disbursements *in* **percentage** terms declined slightly, *from* 1.9 **percent** *in* FY **1991 to** 1.85 **percent** *in* FY 1992.

While total World Bank foreign disbursements also declined marginally *from* $9 159 million *in* FY 1991 to $9 038 million *in* FY 1992, (Total foreign disbursements represented 55 percent of total World Bank disbursements *in* FY 1992, the lowest share that foreign procurement has taken since FY 1985.)

At the IDB, disbursements to Canada *in* 1991 amounted to $45.4 million, an increase of 78 percent from 1990 results, which continues the trend towards improved procurement results begun *in* 1988. Traditionally Canadian performance in Latin America and the Caribbean has been significantly stronger for WB funded projects than for IDB funded projects. With the growing lending levels by the IDB, however, we will likely continue to see positive growth in Canadian procurement success *in* the IDB. (A more complete discussion on the IDB is found on page 15 of this report.)

*In* reviewing procurement performance, year to year fluctuations in disbursement results cannot be viewed as highly conclusive as a result of the uneven flow of payments which occur over the Banks multi-year project periods. It should be further noted that there are also significant weaknesses in the amount and consistency of data available from the World Bank and IDB, particularly contract data. Trends, therefore, observed over several years are at best, only a good indication of performance by individual nations.

Viewed from this perspective, it can be stated that Canada's overall performance at the World Bank has remained relatively **stable over** the past few years, however, a perceptible decline in procurement is becoming apparent from the highs of the late 1980s.

Although Canadian consultants have retained a relatively sizeable share of World Bank business, FY 1992 data indicate a weaker performance in this area than expected for the first time. It is too early to draw any definitive conclusions about this trend in the area of consulting. At the IDB, Canada has on average won approximately 4 percent of all consulting work. Only the U.S.A. and France have a better performance amongst non-borrowing members.

**Disbursements to Canada by Region**

Analysis on a regional basis indicates that FY 1992 saw a remarkable increase in Canadian disbursements resulting from procurement of World Bank projects in the Latin America and Caribbean Region (LAC). Canadian disbursements resulting from projects in this region moved from only $35 million in FY 1991 to $64 million in FY 1992. World Bank lending to LAC also increased in FY 1992, climbing to almost $5.7 billion or 26 percent of new lending from $5.2 billion or 23 percent of lending in FY 1991. As a comparison, disbursements to Canadian firms for work in IDB projects in Latin America and the Caribbean totalled $44.9 million in FY 1992 while new lending to the region by the IDB totalled $6 billion in 1992.

Canada's disbursements from projects in Africa declined slightly from $56 million to $53