

**Section 5**  
**Summary of Observations**

**5.1 Observations from the Second Round**

In the second round of consultations, in 2001, the emphasis was on companies that supplied goods and equipment to IFI-financed projects, and on companies that have the capacity to undertake major projects that involve substantial civil works. Out of these consultations arose several suggestions that deserve more detailed study by DFAIT. These included:

1. The only feasible route to Canada substantially increasing its share of IFI business is through large civil works projects. The country does not have a manufacturing base large enough to make it likely that it could substantially increase its share of goods/equipment on IFI projects; and Canada already does disproportionately well in obtaining consulting contracts.
2. If Canada is to have a good chance of increasing its success in IFI civil works procurement, it will need a different strategy. Some suggestions include:
  - Having a "large projects unit" at DFAIT to track the 100-150 major civil works projects that are in the pipeline at any one time, and to facilitate Canadian bids for these projects.
  - Encouraging a more competitive attitude and stance by Canadian companies [as compared with looking for sole source special situations].
  - Helping international parent firms obtain large IFI contracts if they have made a commitment to do a significant part of the work in Canada or with Canadian staff.
  - Having DFAIT, EDC and CCC work much more closely together with Canadian companies bidding on major projects. Giving the EDC a mandate to take more financing risk on major IFI projects. Giving intensive help of many kinds during the bid preparation.
  - Provide proposal aid to Canadian firms and consortia that are bidding on major projects [say projects over \$100 million]. In particular, have a program that contributes, say, a quarter to a third of the proposal production costs, with repayment contingent on success of the proposal.
  - Involve the Minister and sometimes the Prime Minister in the quest for the largest projects.
  - Encourage the formation of larger and better capitalized companies able and willing to compete internationally.