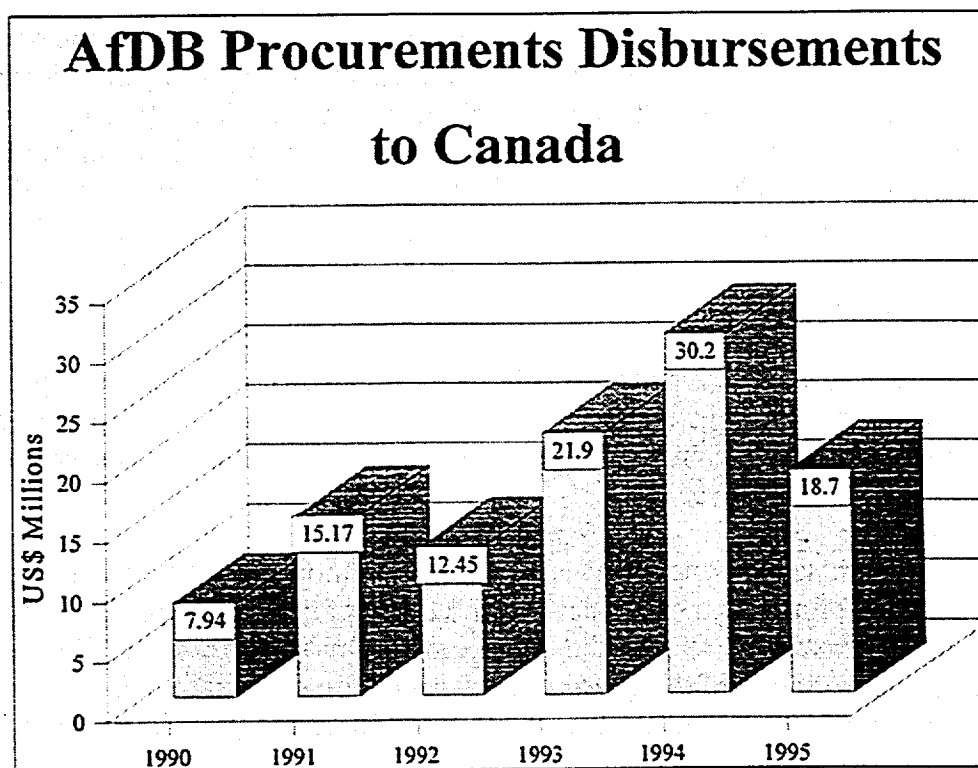


reputation in Africa for delivering high quality in projects, and Canada's consulting and technical expertise - particularly in the resource and infrastructure sectors - is often considered second-to-none. Analysis of the procurement record suggests that one reason Canada's share has remained low (relative to other non-regional member countries) is an overall infrequent level of participation in AfDB-funded bidding. Other contributing factors include: unfamiliarity with the AfDB and the opportunities generated by Bank lending, a lack of strong local business relationships and market presence, and - in procurement of some categories of goods, equipment and civil works in particular - price.

The most formidable competitors for AfDB procurement amongst the non-regional member countries continue to be France, Germany, Italy, the United Kingdom and the U.S. However, it is important to recognize that the regional member countries of the Bank also constitute a major competitive challenge with approximately 50% of procurement disbursements each year credited to firms from the region. Much of this business, however, is won in association with non-regional firms. Accordingly, and because the AfDB strongly encourages the use of local expertise in project execution, foreign firms are increasingly finding that establishing joint ventures with active local partners and other strategic alliances is an effective, if not essential, means of establishing market presence and enhancing the chances for success.



Data relating to "contracts awarded" to Canadian firms show an even more positive picture. The value of new contracts awarded to Canada in the two-year period 1994 and 1995 (for which disbursements tend to flow in subsequent years) is estimated to exceed US \$100 million.