

such funds are administered through the government budget. This leaves the IFIs largely unable to track the actual destination of disbursements. Instead, to calculate foreign content in such procurement, they **estimate** it by taking the size of the loan and multiplying it by foreign market share in that sector. This creates substantial error and raises questions about the accuracy of these numbers. Moreover, because this money is distributed using borrowing government procurement methods, fewer safeguards exist to ensure that every company has an equal chance to win such contracts - perhaps invalidating the assumption that market share at large will be reproduced in procurement.

Another important methodological note lost in the above statistics is that the Bank records only the bidder on a contract, but not their sub-contractors or input providers. Meaning that Canadian inputs to an American contractor would not appear (or vice-versa). It is unclear what effect this might have on overall foreign procurement statistics.

Bidding Procedures, Types & Changes

As mentioned earlier, while project funding is provided by the IFIs, actual projects are implemented by borrowing governments: they borrow from the IFIs to finance and they disburse the funds for the projects. To reduce the potential for graft and/or favouritism this is done with considerable guidance from the IFIs, who outline within project agreements how procurement will be handled.

There are a number of types of bidding that are used. The basic distinction between each type concerns how their conditions either promote or discourage bidding from foreign companies. These conditions include notifications and advertising, pricing, currency choice, pre- and post-qualification of bidders, bidding documents, and bid evaluation criteria⁹. International Competitive bidding (ICB) is the type of procurement most conducive to bids from foreign companies. All projects over US\$200,000 (so-called "prior-review contracts") must go to International Competitive Bidding¹⁰.

⁹World Bank (1992a), pp 42-44.

¹⁰Trade Partners UK (2001), p 15. Note: Prior-review contracts only make up ~60% of bank lending.