

both inside the borrowing country itself and throughout the region. Competition for IFI-financed contracts is fierce.

REPERCUSSIONS FOR CANADIAN COMPANIES

The manner in which the World Bank and the IDB prepare projects and conduct procurement has important repercussions for Canadian companies pursuing IFI-financed contracts. Several factors effect the competitiveness of bids.

A local presence is necessary. Without a local presence, in the form of a local agent or partner, companies lack a vehicle for gaining up-to-date market intelligence, exerting influence on the borrower's executing agency at important stages of the project cycle, and tracking the activities of its competition. With ICB allowing for price preference for bids with local content, the lack of a local partner also hinders the competitiveness of a company's bid.

Early identification of opportunities allows for better marketing. The early stages of the project cycle provide the greatest opportunities for a company to ensure that a project's terms of reference allow the company to bid. In fact, more aggressive companies will attempt to influence the terms of reference and selection of equipment specifications in a manner that prevents competitors from bidding. By identifying an opportunity early, a company also leaves itself the greatest amount of time to generate awareness of its capabilities among the staff of the IFIs and the executing agency.

Companies must "cover all the bases". Companies need to keep the staff of the IFI and the executing agency aware of their capabilities and activities throughout the project cycle. Disruptions, delays, direction changes and disputes are not uncommon during a project. When both the bank and the borrower are aware of a company's interest in the project and respect its capabilities, the company increases the chance problems will be resolved in a manner that is not to its disadvantage.

IFI procurement requires a commitment to the regional or country market. Due to the long length of time required to track a project's development, and the need for an extensive network within the borrowing country and for a credible local partner, achieving success requires a strong, long-term commitment by the company to establish market position in the country or region as a whole.

There is no "IFI Market", only IFI-financed procurement. Only the largest multinational companies have the capacity to pursue numerous business opportunities at the same time throughout the world. IFI-financed procurement amounts to government procurement by developing countries. If companies are not competitive, for example, pursuing contracts in Bolivia financed by other sources, they will not be competitive pursuing contracts financed by the IFIs. Successful companies consider IFI projects to be part of their overall regional export strategies, not a market in and of itself.