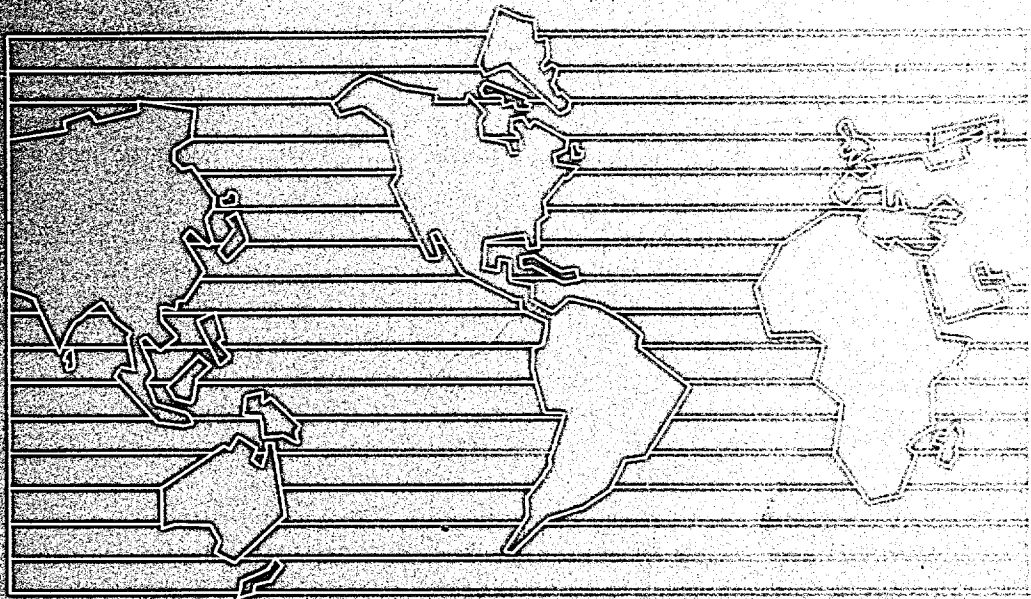


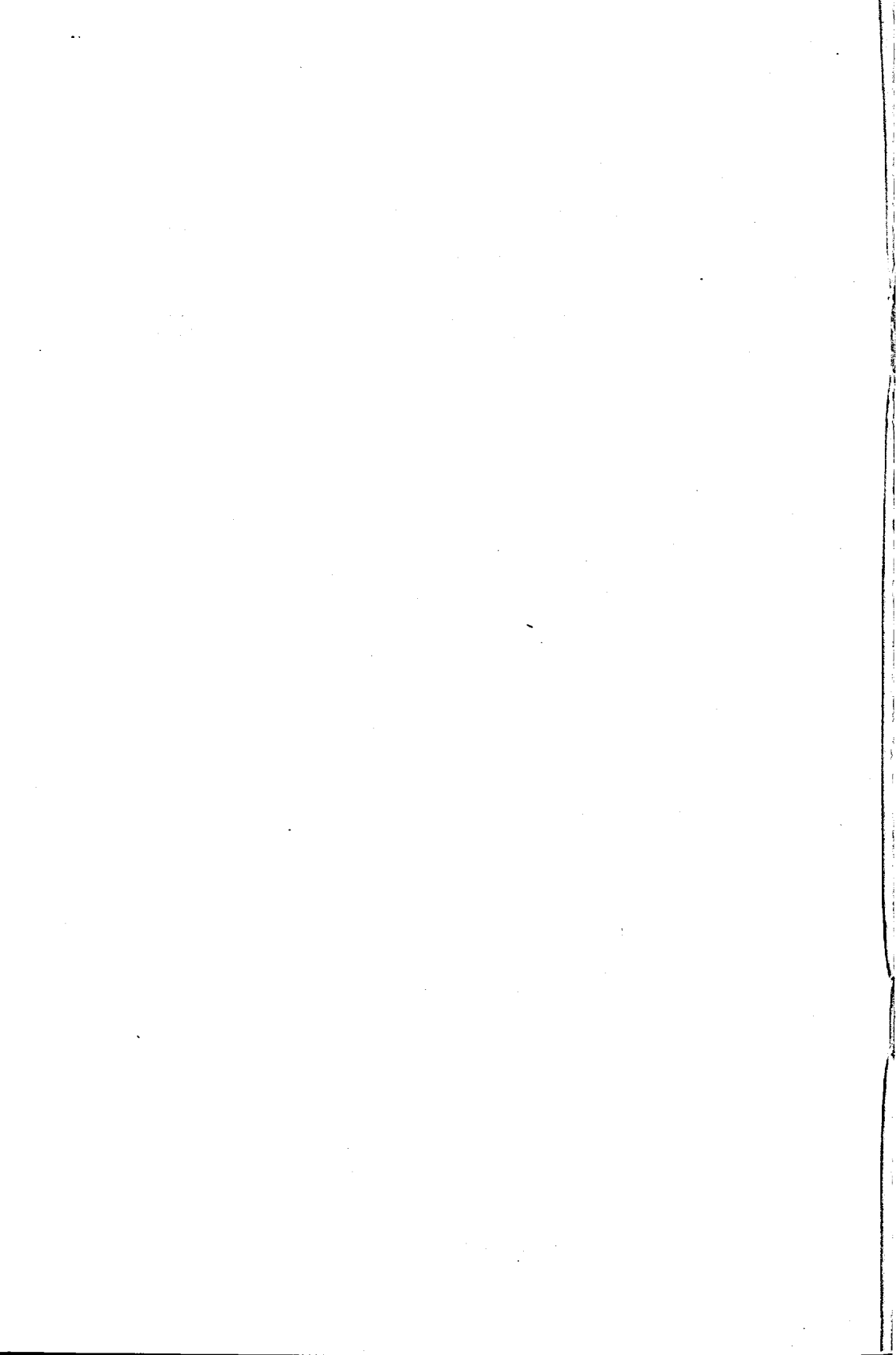
CA1
EA
85D23
ENG
DOCS

DEVELOPING EXPORT MARKETS — THE IFI APPROACH

EQUIPMENT AND CIVIL WORKS



Canada 



.62091124(E)

**Developing
Export Markets — The IFI^{*} Approach**

Equipment and Civil Works

Dept. of External Affairs
Min. des Affaires extérieures

MAR 6 1986

RETURN TO DEPARTMENTAL LIBRARY
RETOURNER A LA BIBLIOTHEQUE DU MINISTRE

***International Financial Institutions**

October 1985

(aussi publié en français)

43-242-333

Contents

Purpose of This Guide	3
Types of Aid to Developing Countries	4
PART I EXPORTING TO DEVELOPING COUNTRIES	4
Market Overview	4
Procurement Opportunities	6
The Project Cycle	6
Your Strategy	6
Assessing Your Suitability	7
Identifying Market Opportunities	9
Promoting Your Product	10
The Bidding Process	11
International Competitive Bidding (ICB)	11
Exceptions to ICB	11
Bidding on Tenders	12
Prequalification	12
When Invitations to Bid are Issued	12
Tender Documents	13
Preparing Your Bid	13
When Bids are Opened	14
Evaluation of Bids	14
Award of Contract	14
PART II INTERNATIONAL FINANCIAL INSTITUTIONS (IFIs)	16
Common Features of IFIs	16
The World Bank	17
Inter-American Development Bank (IDB)	18
Asian Development Bank (AsDB)	20
African Development Bank Group (AfDB)	21
Caribbean Development Bank (CDB)	22
United Nations Development Program (UNDP)	23
PART III REFERENCE (Addresses and Telephone Numbers)	26
Federal Offices and Crown Corporations	26
Department of External Affairs (DEA)	26
Department of Regional Industrial Expansion (DRIE)	27
Canadian International Development Agency (CIDA)	29
Canadian Commercial Corporation (CCC)	29
Export Development Corporation (EDC)	30
Canadian Embassies in IFI Headquarter Cities	30
UNDP and Related UN Agencies	31
Other Useful Organizations	31

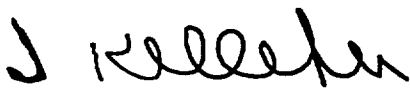
MESSAGE FROM THE MINISTER FOR INTERNATIONAL TRADE

This booklet presents a marketing approach to a unique international market. It is the market financed by the international financial institutions (IFIs) — the World Bank, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank Group, and the Caribbean Development Bank.

Every year millions of dollars are approved by the IFIs to finance hundreds of projects in the developing world. These projects provide companies in member countries (and Canada is a member of each of the IFIs) with thousands of procurement opportunities for equipment and civil works in a variety of industrial sectors.

This booklet provides an overview of that market and of the IFIs themselves, as well as practical advice on how to obtain contracts financed by the IFIs. This includes a step-by-step approach in assessing your firm and your product's suitability, identifying and analyzing the IFI market, positioning your firm to successfully bid on a project, and examining the factors to be considered in submitting a winning proposal.

I would like to thank the Canadian companies, successful in the IFI market, for their valuable contributions and assistance to my officials in the preparations for this booklet. It is the first of its kind in Canada and I believe Canadian firms will find it a useful guide in their pursuit of IFI-funded procurement opportunities.

A handwritten signature in black ink, appearing to read 'J Kelleher', written in a cursive style.

James Kelleher

Acronyms Used

Acronyms are commonly used throughout this guide. Those most frequently mentioned are listed below with their full names:

AfDB	African Development Bank
AsDB	Asian Development Bank
CCC	Canadian Commercial Corporation
CDB	Caribbean Development Bank
CIDA	Canadian International Development Agency
DEA	Department of External Affairs
DRIE	Department of Regional Industrial Expansion
EDC	Export Development Corporation
IAPSU	(UN's) Inter-Agency Procurement Services Unit
ICB	International Competitive Bidding
IDB	Inter-American Development Bank
IFIs	International Financial Institutions
MOS	Monthly Operational Summary
OIPP	Operational Information on Proposed Projects
OLIFI	Office for Liaison with the International Financial Institutions
UN	United Nations
UNDP	United Nations Development Program

NOTE:

1. All dollar amounts used in this guide are expressed in U.S. dollars unless otherwise noted.
2. All addresses and telephone numbers for organizations described in this guide are included in Part III, Reference, unless otherwise stated.

Purpose of This Guide

This guide will provide you with information on a unique \$24 billion annual export market for your products and services. It encompasses the entire developing world and is unique because the funds for projects come from large multilateral development banks known as international financial institutions (IFIs). This guarantees payment for all goods and services supplied; and ensures that the procurement process and rules are commonly known.

The guide discusses the market for goods, equipment and related services, and civil works being financed through the five IFIs of which Canada is a member — the World Bank, the

Inter-American Development Bank (IDB), the Asian Development Bank (AsDB), the African Development Bank (AfDB), and the Caribbean Development Bank (CDB) — and through the United Nations Development Program (UNDP), to which Canada is a major contributor.

Part I of this guide outlines the steps an exporter must take to win a contract from a country that is borrowing money from IFIs. Part II provides information on each of the five IFIs and on the UNDP and its related agencies. Part III is a quick reference to names, addresses, and telephone numbers of the various organizations discussed in the guide.

Types of Aid to Developing Countries

When nations undertake the process of economic development, they seek to improve the living conditions of their populations and establish or expand a productive infrastructure. To do this, they need resources — human, material, and financial — on a large scale. Poor countries often have to supplement their own resources through the following:

- *bilateral aid* — loans and grants from individual governments of richer nations;
- *multilateral aid* — technical and financial assistance from international financial institutions (IFIs) which are funded and operated collectively by many governments;
- *other sources* — commercial banks, private firms, and non-governmental charitable organizations.

Countries that receive bilateral aid for a particular development project are often expected to purchase the project-related items exclusively from suppliers in the donor country. However, when the external financing for a project is coming from a multilateral source, the developing country is normally required to purchase the project-related goods on the open market, in accordance with interna-

tional competitive bidding procedures open to suppliers in all member countries of the financing IFI.

One of the main characteristics of multilaterally financed procurement is that the exporter's potential client is the executing agency in the developing country, not the IFI. The executing agency is an arm of the borrowing country's government, usually a branch of a ministry or some other official entity, that is empowered to formulate, design, and carry out the project, often with the help of consultants. The executing agency retains the consultants and/or appoints the project managers (consultants often serve that function as well), and decides what types of goods, equipment and related services, and civil works are needed to implement the project and from which suppliers to purchase them.

Because it is normally the IFI that makes disbursements out of the borrowing country's loan account to pay for the items procured, exporters are assured of payment for the goods supplied or work performed. This makes the business opportunities offered by Third World development attractive in spite of uncertainty about debt repayment and economic stability.

PART I EXPORTING TO DEVELOPING COUNTRIES

Market Overview

Vast sums of money are expended on Third World development projects. In fact, in 1984, developing countries received \$95 billion from all sources of financial aid. Of this, about \$16 billion came from multilateral financing.

The following table shows the amounts of money actually spent in 1984 by IFIs and the UNDP on ongoing development projects, as well as amounts committed for new projects.

Development Financing through Multilateral Agencies: 1984
(source: 1984 annual reports)

(In \$ billions)

	<i>Disbursed</i>	<i>Committed</i>
World Bank	11.10	15.73
IDB	2.38	3.58
AsDB	1.00	2.23
AfDB	0.29	0.88
CDB	0.03	0.05
UNDP	0.53	0.79
Total	<u>15.33</u>	<u>23.26</u>

These figures do not reflect the total volume of business generated by IFI activities since IFIs do not finance the total cost of a project, but a percentage which varies from country to country. The borrowing government must put some of its own money into the project, often by paying for local costs or by making

some cash or "in kind" contribution. Other sources of financing, such as official export credit agencies, bilateral aid agencies of donor countries and private sector banks, are also frequently tapped to cover the remaining gaps. This is known as cofinancing a project.

Cofinancing

As development projects are financed only in part by loans from IFIs, borrowing countries must pay for part of the costs. If these costs are substantial, funds from other sources may need to be mobilized. Other lenders can be other multilateral or specialized development agencies (e.g., the regional development banks), bilateral aid agencies such as the Canadian International Development Agency (CIDA), official export credit institutions such as the Export Development Corporation (EDC), and commercial banks. Each entity that is providing financing for a portion of a project is called a cofinancer or a co-lender. The use of cofinancing in a project introduces procurement issues that tend to be of concern not only to the borrowing country, but also to the prospective supplier. As cofinancers tend to limit procurement to suppliers from their own countries, it is important to determine if cofinancing is in place for that portion of the project of interest to you.

If the total financing for the project you are bidding on has not been completed, there may be an opportunity for you to be the catalyst for additional funds for the borrowing country to tap. In such cases, you could approach commercial banks, or EDC, to explore their willingness to lend the country money to buy your product. You might also approach CIDA for funds on concessional terms. However, this must be done some time ahead of actual procurement, as CIDA's funds are allocated years in advance.

IFI officers dealing with individual projects are a good source of information on cofinancing. When you discuss your project with them, inquire about it. Procurement officers and other staff in the borrowing country will know specifics on their own cofinancing needs.

Procurement Opportunities

The money made available by IFIs to borrowing countries is normally spent in the following proportions:

- 60 per cent goods;
- 30 per cent civil works; and
- 10 per cent consulting services.

The following list represents, in order of importance, most of the sectors for which goods and civil works are bought by developing countries on the international market with money from IFIs:

- agriculture and irrigation;
- power;
- roads, ports and airports;

- railways and telecommunications;
- urban development;
- water supply;
- forestry, fisheries and livestock;
- industry;
- education;
- population, health and nutrition.

Note: UNDP-assisted projects are more expertise than equipment oriented. Most of the procurement generated by UNDP financing takes the form of consulting services and training. However, opportunities do exist for sales of equipment and related services, and civil works.

The Project Cycle

In order to successfully market your product in a developing country that is being helped by IFIs, it is helpful to be acquainted with the process through which a country's development needs are transformed into tangible loan proposals. The process involves a "project cycle," which is characterized by dynamic interaction between the IFI and the borrowing country. This cycle has a direct bearing on the steps that you, as a potential supplier, must take in parallel, if you want to supply goods, equipment, or services for the project.

Each IFI uses a version of this World Bank model of the project cycle:

1. Project Identification
2. Project Preparation
3. Project Appraisal
4. Negotiations and Board Approval
5. Implementation and Supervision
6. Project Evaluation Ex Post Facto

The process is a lengthy one. This, in itself, has implications on the way you approach this market. The World Bank estimates that it can take between two and five years to get a project through the first four stages of its cycle. Implementation can run for six years or more, with procurement of equipment continuing throughout.

Your Strategy

The steps you must take to obtain IFI-financed contracts are similar to those used in your other marketing endeavours, and include the following:

- assessing your firm and product's suitability;
- identifying and analyzing the market;

- promoting your firm's product and positioning yourself to bid;
- submitting a winning proposal or bid.

If you are a supplier of off-the-shelf equipment, you may be able to sell your product successfully by proceeding directly from identifying a market for your product to submitting a bid in response to a tender notice.

Assessing Your Suitability

Determine whether your firm has the commitment and your product the potential for export to developing countries. This should be done in parallel with the early stages of the project cycle.

Your Company:

- Can you supply both Canadian and overseas markets?
- Do you have any overseas market experience, particularly in the developing world?
- Are you prepared to finance overseas travel to pursue business leads?
- Are you able to operate in more than one language used in international commerce? If not, are you willing to engage the services of translators and interpreters, both at home and overseas?
- Are you willing to invest the financial and human resources needed to obtain contracts from developing countries that have received IFI financing and that are bound by their procurement regulations?
- Are you willing to enter into joint ventures with local companies?
- Are you willing to transfer technology?

Your Product:

- Is it used in economic sectors for which development is financed by international financial institutions?
- Is its use influenced by climatic or geographic factors, such as heat, humidity, altitude, soil conditions, etc.? What is its shelf life?
- Would it ship easily, or would costs be prohibitive?
- Does it require a power source for operation? The less developed a country is, the less likely it is to have reliable and adequate power supply.
- What are its operating costs? What other equipment is needed before it can be used?
- Does it require assembly or involve a special skill?

- Will special packaging or instruction literature be required?
- Does it involve technical standards or regulations that may differ from country to country (e.g., electrical voltage)?
- Is adaptation, and how much, required before export?
- Does it require training and after-sales service? Can this be done without problems?
- Are there countries where it would not sell because of traditional factors, such as a glut in the market, import barriers, or political factors, etc.?

By answering these questions, you can rule out doing business with certain types of countries and focus on those suitable for your product.

It is vital that you carry out this analysis carefully. If you decide your product is suitable for the market and that your company is prepared to expend required resources, you can begin identifying market opportunities.

If you determine that your company is not in a position to pursue these opportunities but that your product is one normally bought by IFI borrowing countries, you may want to consider supplying your product through one or all of the following:

- CIDA's bilateral program of government-to-government financing, which funds projects for which only Canadian suppliers are eligible;
- the UNDP directly or one of the UN agencies;
- the Canadian Commercial Corporation (CCC), which is often called upon to help client governments and international organizations (such as UNDP) find Canadian sources of goods, equipment, and services;
- Canadian trading houses active in the IFI market which can market your product abroad;
- subcontracting to one of the prime contractors for a major

IFI-financed project. See UN publication, *Development Business* or its computerized data

service, *Scan-a-Bid* for contracts awarded under World Bank financing.

Development Business

Development Business is a biweekly UN publication that carries names of the winners of major World Bank contracts, and procurement notices for goods and services subject to international competitive bidding purchased through the UNDP, as well as through IFI financing. The notices generally list the details of the contracts for services, goods, equipment, and construction required for the particular project described, furnishing instructions for obtaining tender documents or for consideration as potential suppliers. Where possible, the titles and addresses of contact persons for each advertised project are listed for direct enquiries. (Subscription, \$250 per year.) *Scan-a-Bid* provides on-line access to the same information. (Subscription \$60 per month extra.)

Development Business	Telephone:	(212) 754-8030
P.O. Box 5850		
Grand Central Station	Telex:	232422 UNH UR
New York, N.Y. 10163-5850		
U.S.A.	Cable:	UNATIONS NEWYORK, Attn: DFBE DC1-559

IFI Pipeline Lists

IFI	Name of List	Availability
World Bank	Monthly Operational Summary (MOS)	— Consult MOS in DRIE regional office or DEA Library, Ottawa — Subscribe to <i>International Business Opportunities Service</i> (IBOS) of World Bank, through Canadian distributor — Subscribe to <i>Development Business</i> or consult it in DEA Library
Inter-American Development Bank	Monthly Operational Summary (MOS)	— Consult MOS in DRIE regional office or DEA Library, Ottawa — Subscribe to <i>Development Business</i> or consult it in DEA Library
Asian Development Bank	Operational Information on Proposed Projects (OIPP)	— Subscribe to OIPP or consult it in DRIE regional office or DEA Library, Ottawa
African Development Bank	Quarterly Summary of Bank Group Operations and Annual Loan Program	— Contact African Trade Development Division (GAT) of DEA — Consult Summary in DEA Library — Contact Canadian embassy in Abidjan
Caribbean Development Bank	Monthly Operational Information	— Contact Caribbean Trade Development Division (LCT) of DEA — Contact Canadian high commission in Bridgetown

Identifying Market Opportunities

Identifying and analyzing specific marketing opportunities for items made to specifications should occur in parallel with the earliest stage of the project cycle. Your contacts with the executing agency and IFI personnel can be made as soon as projects enter active IFI consideration. For off-the-shelf suppliers, this can occur later in the project cycle, i.e., during appraisal and implementation.

1. Identify potential markets for your product.
 - Review IFI pipeline lists, available at DEA and DRIE. These list projects in each borrowing country undergoing identification, preparation, appraisal, and negotiation.
 - Review procurement notices published in *Development Business* (see page 8 for subscription information). This will provide you with an indication of the types of goods being purchased in the market. The notices are prepared by the borrowing countries and are published as needed during the course of project implementation.
2. Analyze those countries where you have identified potential projects to determine which are most suitable for your product.
 - Obtain information on the country: its size, climate, and terrain; demography; development state; present economic and political situation; cultural or religious considerations.
 - Examine factors, such as domestic production capability; price differential between domestic and imported products; quality; and degree of market control (e.g., is the market dominated by a few established suppliers, either domestic or foreign? How strong is the competition? etc.).
 - Examine the regulations and standards that the country applies in its commerce,

including system of measurement, preferred pricing basis, marking and labelling requirements, health and safety standards, special packaging requirements, and consumer preferences in taste, quality, colour, etc.

3. Identify specific projects in the IFI pipelines that offer marketing opportunities for your product.
 - Contact officers in the trade development divisions in DEA's five geographic branches in Ottawa, for market information on the country you are interested in, and for access to IFI country and sector reports held in the International Documents Collection of DEA's Library. Officers can also assist you in contacting the Canadian embassy in the borrowing country for additional detailed project information, such as procurement schedule; local and foreign competition; local procurement conditions; consultants working on projects, etc.
 - Contact trade development officers in DRIE's twelve regional offices across Canada for advice on export market opportunities for your product. You can also register your company (at one of DRIE's regional offices) in DRIE's Business Opportunities Sourcing System (BOSS), which Canadian embassies abroad use to identify companies that can respond to development business opportunities around the world.
4. Other Sources of Information and Assistance
 - Canadian Commercial Corporation (CCC);
 - DEA's Info Export;
 - Canadian Export Association;
 - Canadian Manufacturers Association;

- Canadian Chamber of Commerce;
- Foreign chambers of commerce in Canada;
- Council of Canadian Trading Houses;
- Your provincial trade department;
- International departments of commercial banks.

Promoting Your Product

Promoting your company and product should occur during the project preparation and appraisal stages of the project cycle.

To position your firm to bid successfully on tenders issued by a developing country in connection with a specific IFI-financed project, you will have to visit the country to which you hope to sell your product, especially if you are marketing heavy equipment. In exporting to developing countries, there is no substitute for personal contact between you and your prospective client. To this end, you will also have to appoint a reliable, well-connected local agent to look after your interests there.

Before you go

1. Contact the executing agency and advise them, without expecting a reply, of your intention to visit. Draft your letter carefully to make a good impression and express your interest in meeting project and procurement officers. (Refer to DEA publication *So You Want to Export...* for valuable tips, available through Info Export.) Address your letter to the appropriate person or office in the executing agency and send it the quickest way possible. Send a copy of the letter to the Canadian embassy in the country and request their assistance in following up.
2. Review and, if required, revise your product and company literature to make sure it is suitable for the country you are about to visit, that it is clear and in the language and system of measurement used there.
3. When trip dates have been decided, notify the commercial counsellors at the Canadian embassy in the country of your

intention to visit. (Refer to the *Business Directory of Canadian Trade Representation Abroad*, available through Info Export.) Indicate the kind of assistance you will need (e.g., introductions, briefings on local customs and business practices, identification of potential partners or agents, lists of interpreters or translators, etc.).

4. If you need more information from the IFI, especially on complex projects, ask the Canadian embassy in the IFI headquarters city to arrange a meeting for you.
5. Find out the do's and don'ts of the country you are going to visit. For example, socializing is often part of the business aspect of your trip, while carrying suitcases and rushing through meetings is frowned upon. Try and talk to others who have made similar trips.
6. Make your travel arrangements, including passport, visas and/or other entry documents, vaccinations, etc.

While abroad

1. Meet with trade officers at the Canadian embassy to be briefed on the topics outlined in your letter to them.
2. Meet with prospective agents, evaluate them, with advice from the Canadian embassy, and select one to represent you.
3. Meet key officers at the executing agency to discuss the project and related procurement issues. Promote your product and company.
4. Obtain names, from the executing agency, of the consultants who may be helping to design the project and prepare the technical specifications for the

items to be procured. You may consider a visit to the consultant's workplace, which may be in another country, to determine the requirement for your product and to ensure that the specifications do not exclude your product.

5. If the IFI maintains a field office in the country, meet with IFI staff to get their perspective on the project.
6. Establish an information network (e.g., local agents, consultants working on the project, representatives of foreign chambers of commerce, the local chamber of commerce, business associations, etc.) that can provide you with information on the type of competition your product will face (e.g., price, after-sales service, financing, training, etc.).

When you return

1. Write courtesy letters to all of the people you met during your

trip. This effort will have its rewards and may jar the memory of procurement officers in the executing agency when they are preparing lists of qualified suppliers. It can also ensure your continued access to information from IFI staff.

2. Nurture your contacts and stay informed of developments in the project cycle. Follow up your initial visit with other visits, as appropriate. The more closely you monitor developments, the better placed you will be to act promptly in response to invitations to bid.
3. If your contacts at the executing agency or the IFI alluded to any gaps in the project's financing, consider approaching potential cofinanciers in Canada, such as CIDA or the Export Development Corporation (EDC), or one of the chartered banks.

The Bidding Process

As a prospective supplier, you should always consider the executing agency in the borrowing country as the focus of your marketing efforts. Procurement decisions are the responsibility of the borrowing country. IFIs, however, are excellent sources of information on projects of interest to you. They also participate closely in the procurement process, and can ultimately withhold payment for items which they consider to have been "misprocured."

International Competitive Bidding (ICB)

International financial institutions require borrowing countries to procure project-related goods, equipment, and services in a manner that will ensure the best price, terms, and conditions for each purchase. The most appropriate method is usually international competitive bidding (ICB), the basis of which is open competition among suppliers from all IFI member countries. When ICB is

used, most IFIs accord a margin of preference to local suppliers. This is in keeping with their objective of promoting self-sufficiency in developing countries.

Exceptions to ICB

While ICB is the recommended approach for obtaining goods or services when substantial amounts of foreign capital are provided by IFIs, alternate methods of procurement are permitted in special circumstances. These are detailed in each IFI's procurement guidelines. Among the most common are the following:

- local competitive bidding, when needs can be met locally;
- international shopping, when contracts are small and when immediate delivery is essential;
- limited tendering or repeat orders, when additional items of the same type as originally procured are needed;
- direct purchase and negotiation (single tender), when proprietary

equipment can be obtained only from one supplier; and

- "force account," when projects are completed with the personnel resources of a public agency in the borrowing country.

When other forms of procurement besides ICB are used, these are stated clearly and in detail in the appraisal report that accompanies

the loan document(s) to the IFI executive board. These documents contain other valuable information, such as implementation and procurement schedules, cost estimates for various components, disbursement schedules, etc. They may be consulted through the International Documents Collection at DEA's Library. Contact DRIE regional officers or DEA trade officers for referral.

Bidding on Tenders

Tender notices start being issued around the time of the Negotiations and Board Approval stage of the project cycle and continue throughout the project's implementation phase.

Prequalification

Prequalification is not normally required for contracts for goods, equipment, or related services. It is, however, often necessary in large and complex civil works or "turn-key" contracts, or where heavy equipment is being procured.

Invitations to prequalify and bid are sent by the executing agency, or designated procurement entity, of the borrowing country to the embassies of the financing IFI's members located in the project country. If the executing agency is aware of your interest in, and marketing efforts on, a project, and believes that you are capable of responding to the requirement, it will notify you directly by telex. Advertisements are also placed in well-known technical magazines, large circulation daily newspapers, international trade publications and in *Development Business*.

If prequalification is required

- Obtain the prequalification questionnaire and registration application from the executing agency or designated procurement entity. An indication of the scope of the work, and a clear statement of requirements for qualification are included with this.
- Get information from your agent or other contacts about any technical or legal requirements

for prequalification, such as membership in a local association, necessary legal documentation, etc.

- Request information directly or through your agent on the point system used to evaluate prospective bidders from the executing agency. If possible, discuss this process with officials of the borrowing country so that you can decide whether or not to bid.
- Complete the questionnaire and registration application promptly. Respond fully to all queries about your firm and product. Translate this material, and all supporting documentation, into the language used by the executing agency. Send the completed documents to the executing agency to arrive before the prequalifying period elapses, with a copy to your agent and the IFI, if appropriate.
- Have your agent keep in touch with the executing agency to ensure your prequalification documents are properly considered.
- If your firm has prequalified, you will be sent an invitation to bid. If your firm has the necessary experience but does not prequalify, you may appeal or protest the decision.

When Invitations to Bid are Issued

1. Obtain tender documents as soon as they are made available by the executing agency. Arrange for your agent or the Canadian embassy in the

country to send it to you by the fastest, most reliable means of delivery.

2. Study the evaluation criteria. If necessary, get help from your agent in the borrowing country to identify any hidden meanings or obstacles in the specification details.

Tender Documents

Tender documents differ from project to project and the procurement guidelines of each IFI are unique, especially as they relate to local and regional margins of preference. The list below gives you an idea of what you can expect to find in tender documents for IFI-financed procurement. This abbreviated list is taken from the *Sample Bidding Documents for Procurement of Goods*, jointly prepared by the Asian Development Bank, the Inter-American Development Bank, and the World Bank. The DEA Library's International Documents Collection maintains a copy.

The *Guidelines for Procurement* of the IFI financing the particular project in which you are interested will specify what approach is likely to be taken. Obtain the specific IFI's procurement guidelines so that you can see how they may affect your bid.

Typical Components of Tender Documents Package:

- Invitation for Bids
- Instructions to Bidders
- General Conditions of Contract
- Special Conditions of Contract
- Schedule of Requirements
- Technical Specifications
- Bid Forms and Price Schedules
- Bid Security Form
- Contract Form
- Performance Security Form

Typical Clauses in Instructions to Bidders:

- Introduction
- Bidding Documents
- Preparation of Bids
- Submission of Bids
- Bid Opening and Evaluation
- Award of Contract
- General Clauses

Preparing Your Bid

1. Draft your proposal promptly, making it fully responsive to all specifications and contractual conditions stipulated in the tender documents. Lack of conformance to even the smallest detail may make your proposal non-responsive. Make sure all figures are correct and that your proposal is properly signed. (CCC can help you prepare and package your bid.)
2. Arrange with your banker to cover the bid bond and any other performance guarantees that the borrowing country may require.
3. Contact your freight forwarder and commercial insurer so that you can offer firm delivery dates to your prospective client.

Elements of a Winning Bid

The factors taken into account by the borrowing country when evaluating bids go beyond the obvious ones of price and quality. When preparing your bid, you should present a particularly convincing case with respect to

- the responsiveness of your bid;
- your firm's dependability, reputation, track record, and ability to deliver as required;
- the availability of spare parts for your product and after-sales service in the project country;
- your firm's ability to transfer technology, if necessary, to the buyer through licensing, joint venture arrangements, or direct investment;
- your ability to provide training to users of your product and/or documentation in the required language.

With respect to your proposed price, bear in mind that international competition is heavy. Though profits resulting from projects under IFI-financed procurement may seem negligible on your initial sales, these often lead to later, more profitable orders. Keep in mind that the lowest, fully compliant bid normally wins.

When Bids are Opened

1. Be present, or suitably represented, at the bid opening.
2. Through the executing agency's

procurement officials, monitor the selection or evaluation committee's progress in evaluating the bids.

Evaluation of Bids

There are variations in how bids are evaluated from project to project, country to country, and IFI to IFI. The key point is that the contract is almost always awarded to the lowest fully compliant bid. The factors upon which competing bids are evaluated and compared, once they are deemed responsive, are the following:

- price;
- margins of preference for bidders in the borrowing country or surrounding region;
- cost of transportation, insurance, and other delivery factors within the project country;
- delivery schedule offered;
- deviations in payments schedule from that specified in the Conditions of Contract;
- the cost of components, spare parts, and service;
- the availability in the project country of spare parts and after-sales service for equipment offered in the bid;
- the projected operating and maintenance costs of the equipment;

local or regional suppliers and contractors.

When bidders have not been subjected to a prequalification procedure or when the size or nature of the contract warrants a review of their credentials before final award, the borrowing country's procurement entity can undertake a postqualification procedure as a measure to verify that the bidder who is being considered for the contract award is also a responsible tenderer, with the capability and resources to carry out the contract effectively and successfully.

- the performance and productivity of the equipment offered;
- the quality and adaptability of the equipment; and
- the reliability of the construction or production method proposed.

In assessing the above factors, the borrowing country devises an evaluation system which includes merit points for weighing each factor. Note that preference may be accorded to

Award of Contract

If you are awarded the contract, use the time between the award and the signing of the contract to comply with any necessary formalities and to re-negotiate certain contract provisions. Only contractual clauses that do not affect the substance of the contract, such as penalties for contractor delays or bonuses for early completion, may be open to re-negotiation. Also, establish mutually

acceptable payment terms. Although you are assured payment, the process can be slow.

If you are not awarded the contract and believe that the guidelines were infringed, you can dispute the award. The method for presenting a grievance differs from one IFI to another. Advice can be obtained from the Canadian embassy in the IFI headquarters city.

Summary of Steps

Project Cycle

IFI conducts economic and sector studies

- 1) Project Identification
 - ideas and suggestions from all sources
 - borrowing country approaches IFI with project request
 - consultant hired to undertake pre-feasibility study
- 2) Project Preparation
 - borrowing country considers technical and institutional alternatives and authorizes feasibility studies
 - consultants hired by borrowing country to undertake feasibility study, design project and draw up procurement specifications
- 3) Project Appraisal
 - IFI appraisal team reviews studies, visits borrowing country, and discusses project, including procurement, with executing agency
 - appraisal team prepares report and loan proposal, and sends with procurement list and schedule to IFI executive board
- 4) Negotiations and Board Approval
 - IFI and borrowing country begin loan negotiations and outline project schedule
 - IFI's executive board reviews loan proposal and gives approval
 - IFI and borrowing country sign loan agreement
 - IFI begins disbursing funds after "conditions of effectiveness" are met
- 5) Implementation and Supervision
 - borrowing country begins project
 - IFI supervises project
- 6) Project Evaluation
 - when all loan funds are disbursed, IFI evaluates project results

Your Activities

- 1) Assessing Your Suitability
 - critique your company and product
 - prepare company and product profiles
 - consider alternate methods if unsuitable (e.g., subcontracting)
- 2) Identifying Market Opportunities
 - analyze potential markets
 - review pipeline lists and procurement notices
 - establish contact with Canadian Government offices (DEA, DRIE)
 - obtain more information
 - identify specific projects to pursue
- 3) Promoting Your Product
 - contact executing agency, Canadian embassy personnel, consultants working on project, and IFI officer
 - prepare for your visit
 - travel to country and, if appropriate, to IFI Headquarters
 - meet persons previously contacted
 - appoint an agent
 - follow up on trip and contacts
 - keep informed of developments
- 4) Bidding on Tenders
 - if prequalification is required, complete questionnaire
 - obtain tender documents through agent or Canadian embassy in country
 - study evaluation criteria
 - prepare your proposal and, if required, translate (make fully responsive to tender requirements)
 - arrange to cover bid bond and guarantees
 - be present, or represented, at bid opening
 - if successful, negotiate payment terms

Equipment and off-the-shelf goods are procured throughout implementation

PART II

INTERNATIONAL FINANCIAL INSTITUTIONS (IFIs)

Common Features of IFIs

All five of the international financial institutions outlined here share common characteristics:

- Their *common goal* is to participate in the on-going efforts of Third World countries to accelerate economic growth and social development.
- Their *function* is to lend capital and provide policy advice to enable developing countries to carry out specific projects, mainly in the public sector. Projects are chosen for their medium and long-term benefits to the borrowing country's economy and must generate tangible returns to help repay the loan.
- *Membership* in the IFIs is composed of sovereign governments from developed as well as developing countries. Each member subscribes to the organization's capital according to predetermined amounts; some members voluntarily contribute to special categories of resources used to make loans on concessional (easier) terms.
- *Operational authority* comes from a Board of Governors in which each member country is individually represented (usually the country's finance or aid minister or equivalent). The Governors, in turn, delegate day-to-day responsibility for operations to a Board of Directors, in which groups of countries are represented collectively by an Executive Director, chosen by ballot. (Canada is represented in each IFI Board of Directors by a Canadian national.)
- *Voting power* within each organization is a function of each member's relative share of the capital subscriptions; however, decisions are normally taken by consensus.
- IFIs finance most of their lending operations out of *borrowings* in the international capital markets (up to nine dollars borrowed for every one dollar subscribed).
- IFIs make loans on different terms, depending on whether the borrowing country is credit-worthy or too poor to afford interest payments. For the former, the IFIs lend money from their *ordinary capital resources* and charge interest over the life of the loan. For poorer borrowing members, money is made available from special *concessional resources* at no, or very low, interest for long periods. Because Canada contributes to both of these resources in all of the IFIs, Canadian companies are eligible to bid on procurement financed by either type of loan.
- *Procurement* of goods, equipment and related services, and civil works with the proceeds of IFI loans must be done in a manner that maximizes the effectiveness of public expenditures, provides borrowing countries with best value for their money, and gives potential foreign suppliers a chance to participate.
- As one of the objectives of the IFIs is to promote self-sufficiency in developing countries, *margins of preference* may be accorded to local and/or regional suppliers and contractors on ICB tenders. Details are available in each IFI's *Guidelines for Procurement*.
- The IFIs have no formal links to each other; they operate *auto-*

nomously but frequently collaborate on projects.

There is no connection between the size of Canada's share in the capital of an IFI and the number and value of procurement contracts awarded to Canadian firms. Canada's membership in these organizations

merely entitles you to compete with other would-be suppliers for procurement by developing countries. Your success in obtaining actual business depends solely on your company's willingness and ability to properly market and offer a competitive product or service.

The World Bank

Address: The World Bank
1818 H Street, N.W.
Washington, D.C. 20433
USA

Telephone: (202) 477-1234

Telex: (By RCA) 248423
WORLDBK
(By Western Union) 64145
WORLDBANK

Cable: INTBAFRAD
WASHINGTON

Members: 148 countries; nearly
80 borrowing members

Staff: Approx. 6,000; over 100
nationalities represented

Working Language: English

Lending Territory: Developing countries
throughout the world

Lending Categories:

- Ordinary capital lent on IBRD (International Bank for Reconstruction and Development) terms
- Concessional capital lent on IDA (International Development Association) terms

Organization of Lending Functions

The World Bank divides its borrowing members into six regions, each headed by a Vice President. The units, called Regional Vice Presidencies and located in Washington, represent the following regions:

- Eastern and Southern Africa
- Western Africa
- Europe, Middle East, and North Africa
- South Asia
- East Asia and Pacific
- Latin America and Caribbean

These are divided into Programs and Projects Departments. The

officers in the Programs Department, referred to as loan officers, are generally economists and are responsible for assessing the borrowing country's development needs and credit worthiness.

The staff member of greatest importance to the business person is the Project Officer, who is responsible for shepherding a given project through its various processing stages, including procurement. This individual is usually on the staff of a Projects Division within a Regional Vice Presidency (RVPs) in Washington.

The sectors handled outside of the RVPs are those reporting to the Energy and Industry Vice Presidency and include oil and gas, mining, chemicals, fertilizers, telecommunications, and new technologies. Project officers here are very important for companies involved in these sectors.

Nearly all of the World Bank's operational work is carried out by staff working at headquarters and travelling back and forth to the field. The Bank also maintains field offices in 34 developing countries around the world. These generally perform a liaison function between the Bank and the country or region, but are not the focal point in decision-making. This remains centralized in Washington.

Priority Sectors for Lending

In the 1984 fiscal year, the World Bank committed new loans and credits totalling \$15.5 billion to projects in the following sectors:

	%
• agriculture and rural development	22.4
• energy	22.7
• transportation	16.7
• non-project lending	8.9

- financial intermediaries 6.2
- education 4.5
- small-scale enterprises 4.3
- water supply and sewerage 4.1
- industry and mining 3.5
- urban development 3.2
- population, health, and nutrition 1.6
- telecommunications 1.1
- technical assistance 0.9

For Information

1. *International Business Opportunities Service (IBOS)* — incorporates all available information on World Bank-financed procurement opportunities, from the earliest stage of project identification to the final stage of contract awards by borrowing countries. Includes Monthly Operational Summary (MOS); weekly list of technical data sheets (TDS) as each project is approved by the Board; bi-weekly procurement notices; and contract awards for goods or equipment valued at \$1 million, for civil works over \$5 million, or for services in excess of \$500,000. Subscriptions to IBOS are available for Cdn \$315 a year from the Canadian distributor of World Bank publications:

Le Diffuseur
 (Attention: Mme Suzanne Vermette)
 P.O. Box 85
 Boucherville, Québec
 J4B 5E6
 Tel: (514) 641-1334

2. *Guidelines for Procurement under IBRD Loans and IDA Credits* — available, when you subscribe to IBOS, from the Office for Liaison with the International Financial Institutions (OLIFI) at the Canadian embassy in Washington, from the World Bank directly, and from DRIE regional offices and DEA trade officers.
3. *The World Bank Telephone Directory* — contains a detailed organizational listing of management, from senior vice presidents down to division chief level. It is a valuable tool for identifying key individuals in Projects Divisions and gaining direct access to Bank staff. Published four times a year; available at the World Bank Book Store in Washington, or by subscription for Cdn \$7 per issue. Contact Le Diffuseur (above).
4. *Development Business* (contains World Bank MOS) and *Scan-A-Bid*. See page 8 for subscription information.
5. *Monthly procurement seminars* — held in Washington (duration: three hours). Contact OLIFI at the Canadian embassy in Washington for information on scheduled dates.

Inter-American Development Bank (IDB)

Address: Inter-American
 Development Bank
 808 17th Street, N.W.
 Washington, D.C. 20577
 U.S.A.

Telephone: (202) 634-8000

Cable: INTAMBANC
 Washington, D.C.

Members: 43 countries; about
 30 borrowing members

Staff: Approx. 2,000, of which
 nearly 600 are in field
 offices; some 40 national-
 ities represented

Working
 Languages: Spanish and English
 Lending

Territory: Developing countries
 in Central and South
 America, and the
 Caribbean

Lending

- Categories:
- Ordinary capital is lent on hard terms
 - Concessional capital is lent from the Fund for Special Operations
 - Canadian Project Preparation Facility resources are used to carry out basic studies, prefeasibility and feasibility studies, and final engineering studies in least developed IDB member countries

Organization of Lending Functions

IDB lending operations are grouped under an Operations Department and a Project Analysis Department. Operations are further subdivided into three regions, each of which has divisions that handle individual countries. Project Analysis is subdivided into two divisions: Agriculture and Social Development, and Infrastructure, Energy and Industry.

The IDB maintains field offices in each of its 23 Latin American member countries. Their role is more substantive than that played by field offices of other IFIs. IDB field office staffs help identify new projects, administer approved loans, and supervise project execution. They are also closely involved with procurement matters.

The technical specialist in the Project Analysis Department in Washington can assist you in obtaining information on Equipment and Civil Works requirements for projects in sectors of his/her area of expertise. These officials are particularly important for early information or if you are unable to visit the project country. Once projects have reached the detailed engineering phase, however, it is the sector specialist in the field office who will be in a position to provide you with information on the specifications, bid requirements, evaluation of bids, etc.

Priority Sectors for IDB Lending

In 1984, the Inter-American Development Bank committed new loans

totalling \$3.56 billion in the following sectors:

	%
• <i>productive sectors</i> , including agriculture and fisheries, industry and mining, and tourism	44.8
• <i>physical infrastructure</i> , including energy, and transportation and communications	35.3
• <i>social infrastructure</i> , including environmental and public health, education, science and technology, and urban development	16.4
• <i>other operations</i> , including export financing, and preinvestment and other activities	3.5

For Information

1. *Monthly Operational Summary (MOS)* — a listing by region and sector of each project that is being considered for possible IDB financing. Available only by subscribing to *Development Business*, (see page 8).
2. *Guidelines for Procurement of Goods and Construction Services under IDB Loans* — available from IDB, from the OLIFI at the Canadian embassy in Washington, and from DEA trade offices.
3. *The Inter-American Development Bank Telephone Directory* — organizational listings of managers to division chief level. Free upon request from IDB.
4. *Procurement Profiles* — a description of each project as it receives Board approval. Available on a per project basis from IDB and from the OLIFI at the Canadian embassy in Washington.

Asian Development Bank (AsDB)

Address: Asian Development Bank
P.O. Box 789
Manila
Philippines 2800

Telephone: 831-7251 and 831-7211
Telex: (By RCA) 23103 ADB PH
(By ITT) 40571 ADB PM
(By ETP) 63587 ADB PN

Cable: ASIANBANK Manila
Members: 45 countries; about
30 are borrowers

Staff: Approx. 1,500; 34 nationalities represented

Working Language: English

Lending Territory: Developing countries in Asian and Pacific regions

Lending

- Categories:
- Ordinary capital is lent on AsDB (Asian Development Bank) terms
 - Concessional capital is lent on AsDF (Asian Development Fund) terms
 - Special funds are channelled through the Technical Assistance Special Fund (TASF) to which Canada has committed \$3.3 million for technical assistance from Canadian sources

Organization of Lending Functions

The Asian Development Bank administers its lending functions through the following departments:

- Country Department — organized on a geographic basis; plans the Bank's lending, technical assistance and work programs for each developing member country and processes loan and technical assistance projects in collaboration with Projects departments;
- Projects Departments — organized on an industry sector basis: Agriculture, Irrigation and Rural Development, Infrastructure, and Industry and Development Banks — carry out project

appraisal work, administer loans, and supervise project execution;

- Central Projects Services Office — plans, monitors, and reviews the Bank's project supervision and loan administration activities and provides advice on procurement matters.

The Country Department is most involved in the earlier stages of a project, gradually relinquishing control to the Projects Department. After loan approval, both Country and Projects Staff are useful contacts. Once project implementation begins, most detailed work is handled by the Projects Staff.

The Asian Development Bank maintains two offices in the field. The role of the Bangladesh Resident Office in Dhaka is to strengthen the working relationship between the Bank and the Bangladesh authorities. The function of the South Pacific Regional Office, located in Port Vila, Vanuatu, is to focus on the development needs of its South Pacific island member countries.

Priority Sectors for Asian Development Bank Lending

In 1984, the Asian Development Bank committed new loans totalling \$2.23 billion to projects in the following sectors:

	%
• agriculture and agro-industry	33.92
• energy	34.32
• development banks	2.42
• transport and communications	17.06
• water supply and sanitation	4.64
• education	5.37
• health and population	0.72
• multisector	1.55
• industry and non-fuel minerals	(no lending in 1984)
• urban development	(no lending in 1984)

For Information

1. *Guidelines for Procurement under Asian Development Bank Loans* — available from DEA trade officers, Canadian embassy in Manila, and AsDB.
2. *Handbook on Policies, Practices, and Procedures Relating to Procurement under Asian Development Bank Loans* — supplements the above Guidelines. Available from the AsDB and from the Canadian embassy in Manila.
3. *Operational Information on Proposed Projects (OIPP)* — monthly listings of projects being considered for AsDB financing. Available by subscription, \$28 per year, from AsDB Information Office — main address.
4. *Development Business and Scan-A-Bid* — publish procurement notices. See page 8 for subscription information.
5. *News Releases* — for each project approved by the Board; a Project Information Sheet accompanies the release, describing among other things the procurement arrangements provided for in the loan. Available upon request from AsDB Information Office, main address.

African Development Bank Group (AfDB)

Address: African Development Bank Group
01 B.P. No. 1387
Abidjan 01
Ivory Coast

Telephone: 32-07-11

Telex: 3263, 3282, 3498, 3717

Cable: AFDEV ABIDJAN

Members: 73 countries; about 35 borrowing members

Staff: Approx. 800

Working Languages: English and French

Lending Territory: Developing countries in Africa

Lending Categories:

- Ordinary capital is lent on AfDB (African Development Bank) terms
- Concessional capital is lent on AfDF (African Development Fund) terms
- Resources from the Canadian Fund for Technical Assistance (CFTA) are used for pre-investment and other studies by Canadian consultants and engineers

Organization of Lending Functions
Responsibility for AfDB's lending

operations is divided among the following departments:

- Country Programs Departments I and II — which maintain the Group's relations with African states and draw up lending programs for each borrowing member;
- Agriculture and Rural Development Department, and Infrastructure and Industry Department — which process projects in their respective sectors.

Procurement matters are looked after by project officers in the sector departments and will be important sources of information for you on specific projects.

The African Development Bank Group maintains small field offices in Cameroon, Kenya, and Zimbabwe.

Unlike the other IFIs, the African Bank Group maintains a register of potential suppliers of equipment and goods, as well as one of consulting services and individual consultants. Registration is voluntary and being on the list in no way constitutes endorsement by the Bank Group or approval for selection by borrowing members. However, registration is a good first step to showing your interest in that market. Contact DEA's Africa Trade Development Division (GAT) for registration.

Priority Sectors for African Development Bank Group Lending

In the 1984 fiscal year, the African Development Bank Group committed new loans totalling \$880 million to projects in the following sectors:

	Ordinary Capital	Concessional Capital
	%	%
• agriculture, including agricultural lines of credit	9.12	40.04
• transport	23.56	25.63
• public utilities	24.50	17.84
• industry, including industrial lines of credit	35.23	1.07
• education and health	7.59	15.42

For Information

1. *Rules of Procedure for Procurement under African Development Fund Loans* — available from DEA's Africa Trade Development Division (GAT), and from the Canadian embassy in Abidjan.
2. *Quarterly Summary of Bank Group Operations and Annual Loan Program* — information

about projects in the Bank Group's active pipeline. Available from DEA's Africa Trade Development Division (GAT), and from the Canadian embassy in Abidjan.

3. *Development Business and Scan-A-Bid* — publish procurement notices. See page 8 for subscription information.

Caribbean Development Bank (CDB)

Address: Caribbean Development Bank
P.O. Box 408
Wilkey
St. Michael
Barbados

Telephone: (809) 426-1142
(Headquarters Building)
(809) 427-8100
(Projects Department)

Telex: WB 2287

Cable: CARIBANK Barbados

Members: 23 countries; 17 are borrowers

Staff: Approx. 200; 18 nationalities represented

Working Language: English

Lending Territory: Developing countries in the Caribbean and the Gulf coastal states

Lending Categories: • Ordinary capital resources are lent on hard terms

- Special Fund Resources are lent on concessional terms

Organization of Lending Functions

Of the CDB's five departments, two — Economics and Programming, and Projects — are directly involved with lending operations. Both are further subdivided along country and sector lines. Project officers in the Projects Department are good contact points for information on procurement matters relating to specific projects.

Priority Sectors for CDB Lending

The Caribbean Development Bank committed about \$50.6 million in net new loans in 1984. Over the last ten years, the sector distribution of its lending has been as follows:

	%
• agriculture	25.8
• industry	15.9
• housing	8.4
• ports	9.4

- other infrastructure 34.1
- tourism 3.7
- student loans 1.0
- miscellaneous other categories 1.7

For Information

1. *A List of Projects in the CDB Pipeline* — produced monthly, it can be obtained from DEA's Caribbean and Central America Trade Development Division (LCT) or from the Canadian high commission in Bridgetown.
2. *Guidelines for Procurement* — available upon request from The

Bank Secretary, main address, and from DEA's Caribbean and Central America Trade Development Division (LCT).

3. *CDB Press Releases* — timely information on loans approved by the Board. Available by free subscription through Information Office at main address.
4. *Development Business and Scan-a-Bid* — publish procurement notices. See page 8 for subscription information.

United Nations Development Program (UNDP)

The United Nations Development Program (UNDP) is the central funding and planning agency for technical assistance activities undertaken by UN agencies. These activities focus on fostering human and institutional development and enhancing managerial and planning capabilities through the transfer of technology, know-how, and training.

There is a fundamental difference between an IFI and the UNDP. The former provides money for a developing country to buy goods, equipment, and related services needed to carry out a project; the borrowing country itself is the client of the manufacturer and supplier. The UNDP provides technical assistance in kind, not in cash: it contracts and pays for the services of experts and consultants, and buys whatever related equipment that they may need. It also finances the costs of providing training for developing country nationals in their home countries or abroad.

As a Canadian exporter, it is important to understand that, in this sector of the market, the client for your product is the UNDP itself, or one of its "executing agencies," not the country which is receiving the technical assistance.

This market may be of special interest to you since supplying goods or equipment directly to one of the UN agencies does not depend on extensive marketing in developing countries. Thus, it can serve as your firm's and your product's introduction to the world of international procurement. Eventually, the experience and track record you develop this way might serve as a stepping stone to full-scale participation in IFI-financed projects.

Scope of UNDP Work

The UNDP provides financing and technical support to many thousands of projects in agriculture, industry, education, power production, transport, communications, public administration, health, housing, trade, etc. Its project work covers five main fields:

- surveying and assessing natural resources; industrial, commercial, and export potentials; and other development assets;
- stimulating capital investments to help realize these possibilities;
- training in a wide range of professional and vocational skills;
- transferring appropriate technologies and stimulating the

growth of local technological capabilities; and

- economic and social planning, with particular emphasis on meeting the needs of the poorest segments of the population.

Most UNDP projects are designed to be "self-continuing" with national personnel taking over all operations as UNDP support phases out. However, some projects go on to become IFI-financed projects.

Nature of Commercial Opportunities

Since UNDP technical assistance projects are much more expertise oriented than equipment intensive, more money is spent on individual experts, consulting firms and training than on equipment. However, the requirement for a broad range of equipment, from computers to basic hand tools, as a secondary input is significant. About \$150 million of the \$650 million worth of technical assistance financed by the UNDP in 1984 was for equipment and supplies.

On average, a UNDP project's costs will be broken down into the following proportions:

- over 50 per cent project personnel;
- about 25 per cent consulting contracts, training services and fellowships;
- 25 per cent equipment and supplies.

How the UNDP Functions

The planning and executing process for UNDP is quite complex. First, a country program is drawn up, through discussions between the UNDP's resident representative and the country concerned. On the basis of this program, projects are chosen and designed by the recipient government in consultation with the UNDP office, in light of available funding for that year. Once the UNDP has decided to finance a particular project, it turns over the funds as well as the responsibility for executing the project to another UN agency specialized in the sector — e.g., Food and Agriculture Organization, World Health Organization, International Civil Aviation Organization, etc. —

or to the World Bank or one of the regional development banks. This entity becomes the executing agency for that project.

In over 90 per cent of the cases, UNDP technical assistance projects are subcontracted in this way to other UN agencies for execution. It is these agencies that are the potential clients for your product. A limited number of projects are executed directly by the UNDP's Office of Projects Execution (OPE) in New York.

Each of the executing agencies of the UNDP maintains lists or registers of potential suppliers. It is necessary for you to take the initiative in contacting the agencies that are specialized in the sector(s) to which your product or service relates and register as an interested party.

Commercial counsellors in the Canadian embassies in the cities where the agencies are located, including New York, can assist you in identifying the relevant offices and individuals to see and in setting up appointments once you are ready to make a trip.

Inform the Canadian Commercial Corporation (CCC) in Ottawa of your interest in being a supplier or service contractor to these agencies. CCC has been successful in developing a network of contacts in various UN agencies and in establishing itself as a point of contact for those agencies when they are seeking to source their procurement in Canada.

The Council of Canadian Trading Houses (CCTH) of the Canadian Export Association is active in interesting its members in UN procurement opportunities.

The UN's Inter-Agency Procurement Services Unit (IAPSU) in Geneva, Switzerland, serves as a business information centre to assist potential suppliers of goods and services to the UN system. Though not a central procurement office, IAPSU provides assistance of various kinds to the UN agencies and transmits procurement notices for UNDP-financed projects to *Development Business* and *Scan-a-Bid* (see page 8 for subscription information).

Executing Agencies for UNDP-financed Projects

A list of UN agencies and other organizations that act as executing agencies for projects financed by UNDP is provided below. Note that the most promising business opportunities for Canadian exporters are available through the agencies located in New York, Geneva, Rome, and Vienna; other opportunities also exist in those found in Montreal, Paris, London, and Nairobi. Important addresses for procurement information are in Part III, Reference.

NEW YORK

- United Nations Development Program (UNDP/OPE)
- UN Department of Technical Co-operation for Development (DTCD)
- United Nations International Childrens' Emergency Fund (UNICEF)

GENEVA

- International Labour Organization (ILO)
- International Telecommunications Union (ITU)
- UN Conference on Trade & Development (UNCTAD)
- World Health Organization (WHO)
- World Intellectual Property Organization (WIPO)
- World Meteorological Organization (WMO)

ROME

- Food and Agriculture Organization of the United Nations (FAO)
- International Fund for Agricultural Development (IFAD)

VIENNA

- UN Industrial Development Organization (UNIDO)
- International Atomic Energy Agency (IAEA)

MONTREAL

- International Civil Aviation Organization (ICAO)

PARIS

- United Nations Educational Scientific and Cultural Organization (UNESCO)

LONDON

- International Maritime Organization (IMO)

NAIROBI

- UN Centre for Human Settlements (HABITAT)

For Information

1. *Quarterly Project Listing* — on a quarterly basis, the UNDP provides a Project Listing of all UNDP-financed projects which provide for consulting work (referred to as subcontracts) or training valued over \$20,000, and equipment purchases over \$50,000. This list provides the title of the project, which should be a clue to the type of services and equipment needed, the financial allocation, and the project number. Available for consultation in DEA Library's International Documents Collection.
2. *Development Business (and Scan-a-Bid)* — this biweekly UN publication carries procurement notices for goods and services subject to international competitive bidding purchased through the UNDP, as well as through IFI financing. See page 8 for subscription information.
3. *General Business Guide for Potential Suppliers of Goods and Services to the United Nations System* — a 75-page booklet that includes the addresses and description of executing agencies, and information on registration, selection procedures for contract award, evaluation of tenders, taxes and customs duties, international competitive tendering, and prequalification. Published for UNDP by IAPSU and available upon request from the Permanent Mission of Canada to the UN and the UNDP directly in New York, or from IAPSU in Geneva.

PART III REFERENCE

Federal Offices and Crown Corporations

Department of External Affairs (DEA)

General Mailing Address:

Department of External Affairs
Lester B. Pearson Building
125 Sussex Drive
Ottawa, Ontario
K1A 0G2

Telex: 053-3745

Cable: EXTERNALOTTAWA

Telephone: See numbers listed below.

1. For general information on how to approach IFIs and UN agencies:
Export Finance and Capital Projects Division (TEF) (613) 996-7155
2. For marketing assistance on a specific IFI-borrowing country, call the appropriate trade division and ask for the responsible Desk Officer. For telex, use the general telex number and the division acronym, e.g., GAT.

Africa (GAT)	(613) 990-6591
(North and Sub-Saharan Africa)	
Middle East (GMT)	
(includes Gulf)	(613) 993-7030
East Asia (PET)	
(China, Korea, Laos, Cambodia, and Viet Nam)	(613) 995-7575
South and Southeast Asia (PST)	(613) 996-0910
Pacific (PPT)	
(island nations)	(613) 995-1281
Western Europe II (RST)	
(Portugal, Greece, Cyprus, and Turkey)	(613) 995-6438
Eastern Europe (RBT)	
(Hungary, Yugoslavia, and Romania)	(613) 993-4884
Caribbean and Central America (LCT)	(613) 996-6624
South America (LST)	(613) 996-5546
3. For information on how External Affairs can help you, as well as to obtain copies of the various trade and export publications, including the series *A Guide for Exporters*, the *Business Directory of Canadian Trade Representation Abroad*, *So You Want to Export...*, and *International Financing Data: Business Guide to Export Financing and Other Financial Assistance*, contact:
Info Export (toll free) 1-800-267-8376
(from B.C.) 112-800-267-8376
4. For information on IFI project pipelines, country and economic sector studies, project appraisal reports, other official IFI documents, and *UNDP Quarterly Report* listing, contact a Desk Officer in one of the DEA trade divisions, who will refer you to the:
International Documents Collection,
External Affairs Library (MGL) (613) 992-6150
5. For information on export markets for products in the agriculture, fish, food, cereal grains, and oilseeds sectors, contact:

Agricultural Products (TAA)	(613) 996-3418
Fisheries and Fish Products (TAF)	(613) 996-3537

Food Products (TAN)

(613) 996-3671

Cereal Grains (TGC)

(613) 995-8376

Oilseeds (TGO)

(613) 995-8767

Note: Information on export markets for capital and industrial goods, consumer goods, services, and resource processing products is available from the industry sector branches of DRIE in Ottawa (see next section).

Department of Regional Industrial Expansion (DRIE)

1. For information on IFI project pipelines, on Canadian government support programs for exporters (e.g., Program for Export Market Development (PEMD)), and for registering with DRIE's Business Opportunities Sourcing System (BOSS), contact one of the following DRIE regional offices:

British Columbia

Trade Director

Telephone: (604) 661-2260

Dept. of Regional Industrial Expansion

1055 Dunsmuir Street

P.O. Box 49178

Telex: 04-51191

Vancouver, B.C.

Facsimile: (604) 666-8330

V7X 1K8

Alberta

Trade Director

Telephone: (403) 420-2944

Dept. of Regional Industrial Expansion

The Cornerpoint Building, Suite 505

Telex: 037-2762

10179 - 105th Street

Edmonton, Alberta

Facsimile: (403) 420-4507

T5J 3S3

Yukon

Director

Telephone: (403) 668-4655

Dept. of Regional Industrial Expansion

Suite 301

Facsimile: (403) 668-5003

108 Lambert Street

Whitehorse, Yukon

Y1A 1Z2

Northwest Territories

Director

Telephone: (403) 920-8568

Dept. of Regional Industrial Expansion

P.O. Bag 6100

Facsimile: (403) 873-6228

Yellowknife, N.W.T.

X1A 1C0

Saskatchewan

Trade Division

Telephone: (306) 975-5314

Dept. of Regional Industrial Expansion

6th Floor

Telex: 074-2742

105 - 21st Street

Saskatoon, Saskatchewan

Facsimile: (306) 975-5334

S7K 0B3

Manitoba

Trade Division

Telephone: (204) 949-5942

Dept. of Regional Industrial Expansion

3 Lakeview Square, 4th Floor

Telex: 075-7624

185 Carlton Street

Winnipeg, Manitoba

Facsimile: (204) 949-2187

R3C 2V2

Ontario

Trade and Business Development
 Dept. of Regional Industrial Expansion
 1 First Canadian Place
 P.O. Box 98
 Toronto, Ontario
 M5X 1B1

Telephone: (416) 365-3777

Telex: 065-24378

Facsimile: (416) 366-9082

Quebec

Business Information Centre
 Dept. of Regional Industrial Expansion
 Stock Exchange Tower
 800 Victoria Square
 P.O. Box 247
 Montreal, Quebec
 H4Z 1E8

Telephone: (514) 283-8185

Telex: 055-60768

Facsimile: (514) 283-3302

New Brunswick

Trade Director
 Dept. of Regional Industrial Expansion
 770 Main Street
 P.O. Box 1210
 Moncton, New Brunswick
 E1C 8P9

Telephone: (506) 857-6440

Telex: 014-2200

Facsimile: (506) 388-6429

Newfoundland

Trade Director
 Dept. of Regional Industrial Expansion
 Parsons Building
 90 O'Leary Avenue
 P.O. Box 8950
 St. John's, Newfoundland
 A1B 3R9

Telephone: (709) 772-5511

Telex: 016-4749

Facsimile: (709) 772-5093

Nova Scotia

Trade Division
 Dept. of Regional Industrial Expansion
 P.O. Box 940
 Station M
 Halifax, Nova Scotia
 B3J 2V9

Telephone: (902) 426-7540

Telex: 019- 22525

Facsimile: (902) 426-2624

Prince Edward Island

Trade Director
 Dept. of Regional Industrial Expansion
 134 Kent Street, Suite 400
 P.O. Box 1115
 Charlottetown, Prince Edward Island

Telephone: (902) 566-7442

Telex: 014-44129

Facsimile: (902) 566-7443

2. For information on export markets for your products or services, contact the appropriate DRIE Industry Sector Branch listed below. If communicating by telex, add the branch's acronym to the general telex number.

Department of Regional Industrial Expansion
 Industry Sector Branch (XYZ)
 235 Queen Street
 Ottawa, Ontario
 K1A 0H5

Telex: 053-4123

Cable: DRIEOTTAWA

Telephone: See numbers listed below.

Capital and Industrial Goods

Automotive Directorate (FAMR)	(613) 992-1506
Marine, Urban and Rail Directorate (FAMR)	(613) 992-3389
Electronics Directorate (GELA)	(613) 996-0182
Aerospace Directorate (GELA)	(613) 996-0601
Resource Industries Machinery Division (GMEE)	(613) 992-4082
Energy Equipment Division (GMEE)	(613) 995-3951
Service and Secondary Machinery Division (GMEE)	(613) 995-6441

Consumer Goods, Services and Resource Processing

Metals and Minerals Processing (IRPI)	(613) 992-0088
Iron and Steel (IRPI)	(613) 992-0025
Fabricated Metals and Construction Projects (IRPI)	(613) 996-0763
Wood Products (IRPI)	(613) 992-0068
Converted Wood and Paper Products (IRPI)	(613) 995-7134
Pulp and Paper (IRPI)	(613) 992-0065
Petroleum and Industrial Chemicals (IRPI)	(613) 992-0028
Plastic, Rubber, Chemical Specialties (IRPI)	(613) 996-7085
Health Care Products (IRPI)	(613) 593-4471
Food and Consumer Products (JFCP)	(613) 593-7303
Construction Services (ISEI)	(613) 995-8107
Consulting Services (ISEI)	(613) 995-8107
Transportation Services (ISEI)	(613) 995-8107
Distribution Services (ISEI)	(613) 995-8107
Textiles, Clothing, Footwear (JOIA)	(613) 992-1207
Market Development Branch (AMDB)	(613) 992-8160

For general information, contact:

Trade Development Division (BTFP) (613) 990-5024

Canadian International Development Agency (CIDA)

For information on CIDA-funded projects, CIDA/IFI cofinancing, and the Industrial Co-operation Program, contact:

Address: Business Co-operation Branch
 Canadian International Development Agency
 200 Promenade du Portage
 Hull, Quebec
 K1A 0G4

Telephone: (819) 997-7775
 Telex: 053-4140 CIDA/BCB

Canadian Commercial Corporation (CCC)

For assistance with bid preparation and/or packaging, for information on Canadian-sourced procurement requirements of UN agencies and others executing UNDP-financed technical assistance, and for information on subcontracting when CCC acts as the prime contractor, contact:

Address: International Agencies Group
 Canadian Commercial Corporation
 3C1 - Phase III
 Place du Portage
 11 Laurier Street
 Hull, Quebec
 K1A 0S6

Telephone: (819) 997-5715
 Telex: 053-3703

Export Development Corporation (EDC)

For information on export financing, insurance, and EDC/IFI cofinancing, contact:

Address: Export Development Corporation
 P.O. Box 655
 Ottawa, Ontario
 K1P 5T9
 Telephone: (613) 598-2500
 Telex: 053-4136

Canadian Embassies in IFI Headquarter Cities

For general information on how the IFI works. A trade officer in each embassy has been designated as the business-IFI liaison officer, and will assist in making appointments with IFI personnel.

Washington (for World Bank and Inter-American Development Bank)

Address: Office for Liaison with International Financial Institutions
 (OLIFI)
 Canadian Embassy
 2450 Massachusetts Avenue, N.W.
 Washington, D.C. 20008-2881
 U.S.A.
 Telephone: (202) 483-5505
 Telex: 0089664
 Answerback: DOMCAN A WSH
 Cable: Canadian Washington

Manila (for Asian Development Bank)

Address: Commercial Division
 Canadian Embassy
 P.O. Box 971
 Manila
 Philippines
 Telephone: 815-9536 to 41
 Telex: 63676
 Answerback: 63676 DOMCAN PN
 Cable: Canadian Manila

Abidjan (for African Development Bank)

Address: Commercial Division
 Canadian Embassy
 C.P. 4104
 23, rue Nogues
 Abidjan 01
 Ivory Coast
 Telephone: 32-20-09
 Telex: 23593
 Answerback: DOMCAN ABIDJAN
 Cable: Domcan Abidjan

Bridgetown (for Caribbean Development Bank)

Address: Commercial Division
 Canadian High Commission
 P.O. Box 404
 Culloden Road, St. Michael
 Bridgetown
 Barbados
 Telephone: 429-3550
 Telex: 2247
 Answerback: 2247 CANADA WB
 Cable: Domcan Bridgetown

New York (for United Nations Development Program and related UN agencies)

Address: Counsellor
 Permanent Mission of Canada to the United Nations
 866 United Nations Plaza
 Suite 250
 New York, N.Y. 10017-1897

Telephone: (212) 751-5600
 Telex: 00126 269
 Answerback: CANINUN NYK
 Cable: CANINUN New York City

UNDP and Related UN Agencies

1. For inclusion on the register of potential suppliers to the UNDP's Office for Projects Execution, which handles those projects that UNDP both finances and executes, send company literature and information to:

Senior Advisor
 Office for Projects Execution (OPE)
 United Nations Development Program
 1 UN Plaza
 New York, N.Y. 10017
 U.S.A.
 2. For inclusion on the register of potential suppliers to the Division for Administrative and Management Services (DAMS), which handles procurement of office and other supplies as well as vehicles for UNDP Headquarters and field offices, send company literature and information to:

Chief, Maintenance and Operations Services Section
 Division for Administrative and Management Services (DAMS)
 1 UN Plaza
 New York, N.Y. 10017
 U.S.A.
 3. For inclusion on the register of potential suppliers to the Department of Technical Cooperation for Development (DTCD), send company literature and information to:

Chief, Contracts and Procurement Services
 Department of Technical Cooperation for Development (DTCD)
 1 UN Plaza
 New York, N.Y. 10017
 U.S.A.
 4. IAPSU — The UN's Inter-Agency Procurement Services Unit

Palais des Nations
 CH 1211 Geneva 10
 Switzerland
-

Other Useful Organizations**Canadian Export Association (CEA)**

99 Bank Street
 Ottawa, Ontario
 K1P 6B9

Telephone: (613) 238-8888

Telex: 053-8888

Council of Canadian Trading Houses

Same address, phone, and telex as Canadian Export Association

Canadian Chamber of Commerce

200 Elgin Street
Ottawa, Ontario
K2P 2J7

Telephone: (613) 238-4000

Telex: 053-3051

Canadian Manufacturers Association (CMA)

One Yonge Street
Toronto, Ontario
M5E 1J9

Telephone: (416) 363-7261

CA1 EA 85D23 ENG DOCS
Developing export markets - the
IFI approach 43242333

© Minister of Supply and Services Canada 1985

Cat. No. E73-6/1-1986E

ISBN 0-662-14512-7

LIBRARY E A/BIBLIOTHEQUE A E



3 5036 20016582 0



External Affairs
Canada

Affaires extérieures
Canada