THE CANADIAN TRADE COMMISSIONER SERVICE

Moving in New Directions

Financing Trends within the International Financial Institutions

Discussion Paper prepared by
Neil Thompson

for the
Export Financing Division's (TBF)
IFI Retreat

Department of Foreign Affairs and International Trade
CANADIAN TRADE COMMISSIONER SERVICE

August 2001

Please forward your comments to TBF Deputy Director Alexandra Wood
tel: 613-944-0910, e-mail: alexandra.wood@dfait-maeci.gc.ca

Executive Summary

Over the last fifteen years, the funding done by the International Financial Institutions has changed markedly. Today, more lending goes to 'policy-based' lending initiatives, promoting either structural change or influencing the behaviour of an entire sector of the economy. These funds have also been used as emergency funding for situations such as the recent Asian crisis. In 1999 policy-based funding accounted for fully 63% of all the World Bank's lending. This lending, while possibly more effective for development purposes, may not provide as many opportunities for Canadian suppliers. This is because the administration of policy-based lending happens outside IFI procurement guidelines, and instead uses the procedures of the borrowing country.

While funding for all the institutions within the World Bank has grown over the last fifteen years, those that lend to the private sector have grown much more quickly than those that lend to governments. This emphasis on the International Finance Corporation and the Multilateral Investment Guarantee Agency make these institutions increasingly relevant for Canadian business.

While growing slower than the private-sector institutions, the vast majority of World Bank funding still occurs to governments through the International Development Association and the International Bank for Reconstruction and Development. The nature of their procurement contracts are, however, changing. Increasingly domestic suppliers are being used, and thus the share of contracts to foreign companies has fallen significantly. Canada is not the only one facing this decrease, indeed the entire OECD faces a similar challenge. The causes of this likely include increases in domestic capacity and the bidding guidelines used by the Banks.

An overview of Canada's performance in securing IFI procurement shows that it achieves contract levels in both equipment and civil works consistent with its size, but does significantly better than this in consulting contracts. Still, in order to stay competitive in IFI-financed projects, Canada will need to continually internationalize its businesses - expanding both trade and investment, particularly in the developing world. This will both increase expertise in such areas, and qualify those companies for preferential bidding structures that favour domestic capacity building.

Table of Contents

Introduction

Over the past decade enormous change has happened in development financing around the globe. Driven by changes in ideology and the broader business environment, the International Financial Institutions (IFIs), who provide such financing, have evolved significantly. They now focus on different sectors and different regions, and use different tools than ever before.

This report details some changes within the IFIs of which Canada is a member[1]. Particular attention is given to how the IFIs procure the goods and services needed for development, and how the Canadian private and public sectors can best adapt to these changes. Throughout, the World Bank (sometimes just 'Bank') will be used as a proxy for trends within the IFIs. It is used because it is the largest of the IFIs, and usually leads the others in policy development.

Key elements explored herein include how procurement and bidding for contracts has evolved, what types of financing the IFIs are doing, the relationship between different institutions within the Bank, and the ultimate goals being promoted by IFI financing. Conclusions are then draw about the impact of such changes and their relationship to Canada.

International Financial Institutions (IFIs)

Procurement

Procurement by the IFIs is a very large business. Each year the IFIs approve billions of dollars in lending commitments, which are then disbursed over the period of the loan. The money flowing out of such disbursements is enormous. Indeed, in fiscal 2000 the World Bank alone disbursed US$18.5 billion[2].

Broadly speaking, there are two types of loans that get approved: project lending and policy-based lending. Project lending funds are approved for work on specific investments. Examples of which could include road construction, rural electrification, or an HIV/AIDS awareness program. Policy-based lending is quite different. It occurs

---

[1]World Bank, Asian Development Bank, African Development Bank, Caribbean Development Bank, Inter-American Development Bank, and the European Bank for Reconstruction and Development.

[2]World Bank (2000a), p 131.

when the Bank and a borrowing government agree on common policy objectives (usually regulatory or institutional changes). Bank lending is then used to finance the transition to the new system.

In both cases, it is a country that approaches the Bank for funding. Pending approval of the loan, that country will also administer the implementation of the project, but will do so within IFI-specified guidelines. Frequently borrowing countries will also need to commit some internal resources to the project to garner IFI funds.

The terms of loans approved by the IFIs fall into two categories: concessional and non-concessional. Here, 'concessional' refers to a loan where the interest rate or other loan repayment terms result in repayment costs lower than would be found with private financing. The World Bank has separate bodies and separate funds for each type of loan. The International Development Association (IDA) administers the concessional 'window', while the International Bank for Reconstruction and Development (IBRD) administers the non-concessional 'window'. To distinguish the two, IDA loans are called 'credits'.

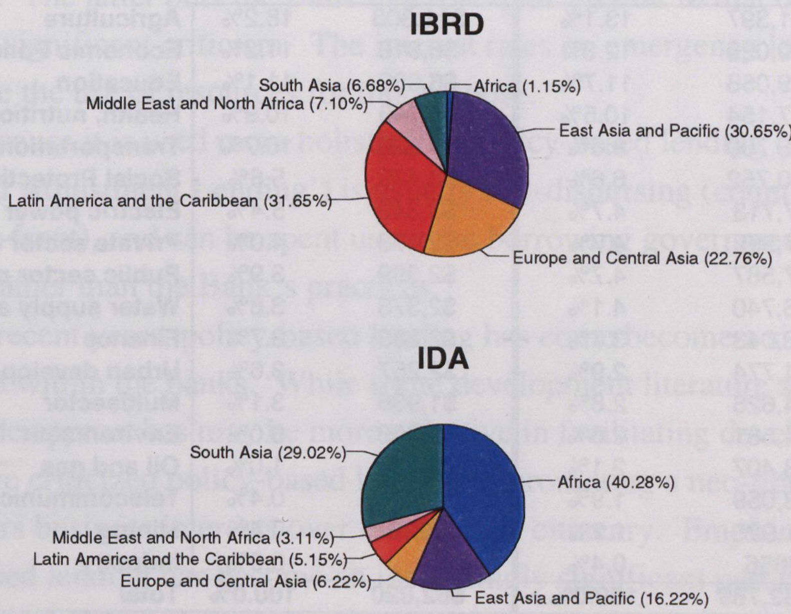
By using concessional lending, the IFIs provide capital to poor countries without creating as significant a debt-burden. Indeed, the repayment terms often include zero interest, 35-40 year repayment terms and a ten-year grace period on repayment of principal. In real terms (taking into account forgone interest) this is deeply concessional, and represents an effective subsidization by the shareholder countries of the Bank. The consequence of this is that the fund used for concessional financing requires a capital replenishment on a fairly regular basis.

Total World Bank commitments by IDA/IBRD have remained fairly stable over the 1990s in the US$15-20 billion range. However, such funding rose to just shy of US$25 billion in 1998 and 1999 respectively, before falling back. This is largely related to the Asian financial crisis and resulting contagion.

Regional Changes

Cumulatively, since 1990, the Bank's regional funding has been as shown in Figure 1.

Figure 1: Cumulative World Bank lending since 1990 (by region)[3]



Notice the large concentration of funds for Africa and South Asia being delivered through concessional IDA funds, whereas both Latin America and Europe and Central Asia received considerably more funds through IBRD funding. This is indicative of the Banks mandate of poverty reduction, and the resultant focus of concessional funds to this end.

[3]World Bank (2000a), p 143.

Sectoral Changes

Cumulatively, since 1990 Bank loans have gone to the sectors shown in Table 1.

Table 1: World Bank funding since 1990 (by sector)[4]

IBRD					IDA
	US$ (millions)	%	US$ (millions)	%	
Transportation	$21,397	13.1%	$11,303	18.2%	Agriculture
Economic policy	$20,026	12.3%	$6,916	11.2%	Economic Policy
Finance	$19,058	11.7%	$6,900	11.1%	Education
Electric power and energy	$17,154	10.5%	$6,749	10.9%	Health, nutrition and population
Agriculture	$15,700	9.6%	$6,626	10.7%	Transportation
Education	$10,752	6.6%	$3,479	5.6%	Social Protection
Social protection	$7,713	4.7%	$3,349	5.4%	Electric power and energy
Public sector management	$7,592	4.7%	$2,473	4.0%	Private sector development
Urban development	$7,587	4.7%	$2,399	3.9%	Public sector management
Water supply and sanitation	$6,740	4.1%	$2,375	3.8%	Water supply and sanitation
Health, nutrition and population	$6,043	3.7%	$2,285	3.7%	Finance
Environment	$4,774	2.9%	$2,257	3.6%	Urban development
Oil and gas	$4,626	2.8%	$1,936	3.1%	Multisector
Private sector development	$4,581	2.8%	$1,858	3.0%	Environment
Multisector	$3,407	2.1%	$617	1.0%	Oil and gas
Mining	$3,059	1.9%	$271	0.4%	Telecommunications
Telecommunications	$1,925	1.2%	$228	0.4%	Mining
Industry	$656	0.4%		0.0%	Industry
Total	$162,789	100.0%	$62,020	100.0%	Total

Notice the higher emphasis in IDA lending for Agriculture, Education, and Health, Nutrition and population, again reflecting the 'poverty reduction' mandate. Whereas, IBRD has higher sector content in Electric Power and Energy and Finance, reflecting its concentration on improving the infrastructure for business. Both have strong commitments in the expensive transportation sector, and in Economic Policy, which is largely policy-based lending.

Two dominant themes emerge from sectoral analysis of such disbursement numbers. Firstly, the increased (and increasing) prominence of social and environmental concerns in IFI funding. And secondly, the new ideological focus on creating a business 'enabling environment'. That is, creating a public space where private enterprise can flourish. Such projects include adequate and reliable infrastructure, economically viable governmental policies, and a financially sound banking sector (this last area has gained further momentum with the Asian financial crisis).

---

[4]World Bank (2000a), p 143.

Policy-based lending

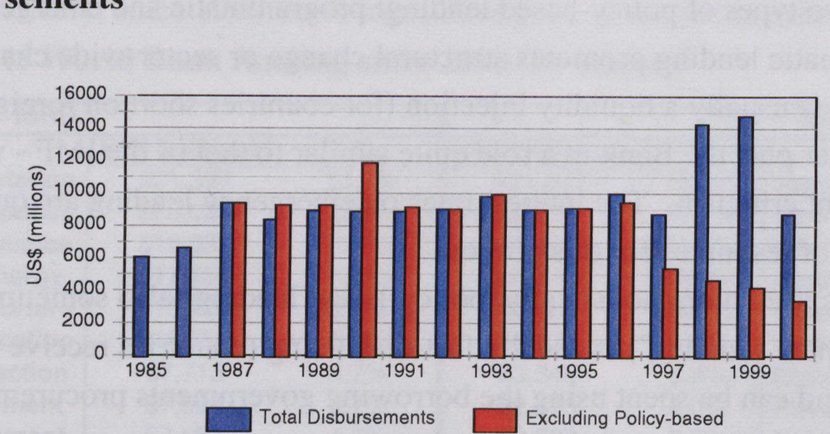
There are two types of policy-based lending: programmatic and emergency lending. Programmatic lending promotes structural change or sector-wide changes, while emergency lending is usually a liquidity injection (for countries short on foreign currency). The latter puts the Bank in a role quite similar to that of the IMF - which itself has led to significant criticism. The interest rates on emergency lending are quite high to discourage the use of resources for this purpose.

Because it is used more holistically, policy-based lending (also sometimes called 'Structural Adjustment Lending') is usually fast-disbursing (countries receive more of the money up-front), and can be spent using the borrowing governments procurement methods rather than the Bank's practices.

In recent years, policy-based lending has come become a significant point of contention within the banks. While some development literature suggests that sector-wide approaches may be more effective in facilitating development, concurrently others have criticized policy-based lending as promoting a neo-liberal vision of the world that favours business interests over those of the citizenry. Empirically, it is clear that policy-based lending has become an increasingly significant part of IFI lending.

The graph below illustrates the extent to which this has occurred by plotting World Bank foreign procurement both with and without policy-based lending:

Figure 2: Impact of Policy-based lending on World Bank foreign disbursements[5]



Notice that total foreign procurement has increased, but only because policy-based lending growth is outpacing the decline of project-based lending. Theoretically the Bank's guidelines cap at 25% the portion of total lending for policy-based purposes, but allow deviation in the case of extreme circumstances. With emergency lending during the Asian Financial crisis this guideline was exceeded (not surprising since in 1999 fully 63% of that year's loans were policy-based!)[6]. While levels have since begun receding, this willingness of the part of shareholders to exceed the guideline has set a precedent for similar large emergency interventions in the future.

From a procurement side, policy-based lending is bringing an increasing amount of funding outside of World Bank guidelines as project-lending drops. As domestic governments often have strong links to domestic suppliers, it would be unsurprising if this resulted in an increase in domestic procurement at the expense of foreign suppliers. As well, it accentuates the existing maxim that the most important contacts for winning an IFI-funded contract are within the borrowing governments themselves.

Foreign vs. Domestic

As a whole, the percentage of IFI procurement from foreign sources has dropped

---

[5]Data from World Bank Annual Reports, various years. The reason for the contradiction in 1990 (i.e. total lending below that excluding policy-based) is unclear. Possibilities include accounting differences between methods, including differences in the incorporation of debt relief.

[6]World Bank (2000a), pp 4-5.

significantly over the last fifteen years. From a development point of view this is a success, as it indicates a rise in domestic capacity. However, it has substantial impacts on the opportunities for Canadians who want to pursue IFI-financed work. Figures 3 and 4 show this falling trend in foreign procurement and more specifically that portion from OECD countries.

Figure 3: Foreign Procurement as a share of Total Procurement (excluding policy-based lending)[7]

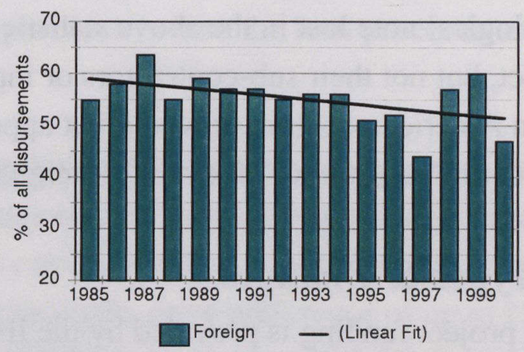
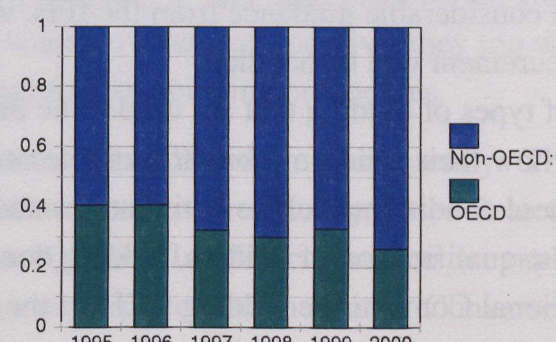


Figure 4: Share of Total procurement won by the OECD countries[8]



A methodological note should be made when considering the above data. It **excludes** policy-based lending. Thus, much of the decline observed in the first graph is attributable to decreases in the overall monies for project lending. The second graph presents the other reason for decline, a loss of market share by OECD countries.

Including policy-based lending figures into such analyses would be difficult, as

---

[7]Data from World Bank Annual Reports, various years.

[8] World Bank (2001b).

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 criteria[9]. International Competitive bidding (ICB) is the type of procurement most conductive to bids from foreign companies. All projects over US$200,000 (so-called "prior-review contracts") must go to International Competitive Bidding[10].

---

[9]World Bank (1992a), pp 42-44.

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

Other types of bidding include[11]:

Limited International Bidding (LIB): by direct invitation only

National Competitive Bidding (NCB): advertised locally and following local procedures

Local or international shopping: purchase of low-value, off-the-shelf items

Direct purchasing: negotiated purchase from a proprietary supplier

Commercial practices (where the loan proceeds are on-lent to the private sector)

Despite being the most favourable procurement method for foreign companies, ICB does not eliminate certain biases given to local companies. Indeed, even under ICB, borrowing countries can grant a degree of price preference to bids with local content. "At the World Bank, for example, price preference of up to 15% can be given for equipment contracts, 10% for consulting contracts, and 7.5% for civil works contacts"[12]. With such a powerful advantage being accorded to local capacity building, the incentive for foreign companies to pair with local agents is very high (exactly the goal of the policy). This means that if Canadians want to remain competitive, they too will need to seek out such partners or be disadvantaged by the bidding procedures.

Consultancy projects are handled slightly differently. They also have a plethora of categories, but the two most important are Quality Based Selection (QBS) and Quality and Cost-Based Selection (QCBS). In QBS consultants are ranked on the quality of their bid, and only the best negotiates price with the Bank. Conversely in QCBS a threshold quality standard is established and the financial component of all bidders that meet it are compared. This has made a substantial difference in recent years as QCBS has gained prominence. The result has been that, as capacity in developing countries increases, more and more local companies can meet the quality threshold of QCBS. Then, with lower costs, they can leverage a winning bid based on price. Previously, under QBS, if they weren't the highest quality bid, they never would have been considered.

---

[11] World Bank (1992a), pp 42-44. And Trade Partners UK (2001), p 15.

[12] OLIFI - Washington (1999), p 4.

Is there a payoff to early participation?

Some have asked the question whether winning early-stage projects (feasibility studies, etc.) can have an effect on winning implementation contracts later on. For most of the IFIs the answer for a particular company is no as it is forbidden for a single company to implement both upstream and downstream projects (due to conflict of interest). However, it is possible that there might be a corollary between one Canadian company winning an early-stage contract and another Canadian company winning the downstream project. This might arise because of established links, increased knowledge of such opportunities, etc. If such a corollary does exist, what is the return to such contracts?

Although not much research has been done in this area, qualitative responses from people working with the IFIs suggest a low return. In fact, one study which examined the entry time of companies in projects...

> "...could not confirm that early involvement in a project is a major success factor. Nearly all the goods suppliers in the study did not begin to pursue their contract until late in the project cycle; *ie.*, after the loan had been approved. About half the time it was in response to a published procurement notice of some kind. Even though consultants were more likely than suppliers to become involved prior to loan approval, and to attribute their success to an early involvement, one third of the consultants in the study were successful on the basis of an involvement which began after loan approval."[13]

This definitely does not support a strong link, as one would assume that a company's own early involvement would yield at least as good information as that available if another Canadian company won.

Canadian Snapshot: Procurement

---

[13]Clayton (1994), p ii.

How does Canada do in World Bank procurement?

Relatively speaking, Canada is one of the largest suppliers to World Bank projects, particularly so with respect to consulting services.

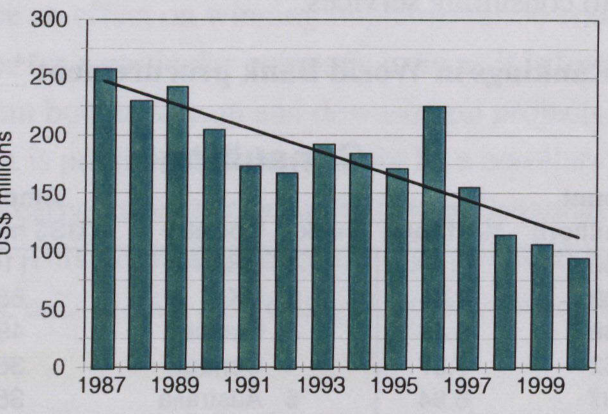
Table 2: Canadian Rankings in World Bank procurement[14]

Overall				Consulting			
Rank	Country	Amount (US$ million)	% of total	Rank	Country	Amount (US$ million)	% of total
1	USA	380	11.14	1	USA	116	18.26
2	Italy	308	9.04	2	UK	85	13.45
3	Germany	288	8.43	3	France	49	7.64
4	UK	252	7.37	4	Canada	38	5.97
5	France	237	6.94	5	Australia	35	5.46
6	Japan	184	5.39	6	Germany	28	4.36
7	China	179	5.24	7	Netherlands	24	3.74
8	Canada	94	2.77	8	Italy	18	2.86

Despite this performance with respect to competitors, the dollar-value of Canadian procurement that arises from project-based lending has fallen significantly, as is shown in Figure 5.

[14]Trade Partners UK (2001), p 5.

Figure 5: Canadian Procurement of World Bank-funded projects (excluding policy-based lending)[15]



As mentioned earlier, this phenomenon of falling procurement is not limited to Canada. Indeed, looking at prior-review contract values shows that the entire OECD has faced similar challenges, with their share of procurement dropping both in absolute dollar values, as well as percentage of total Bank procurement. This drop is thus a function both of the drop in non-policy based lending and the drop in the share of procurement from foreign sources.

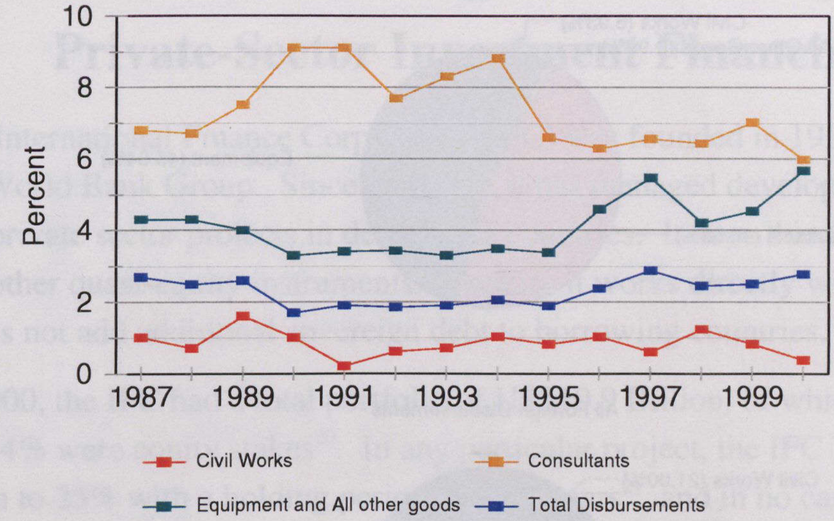
In what areas is Canada strong?

Figure 6 shows Canada's performance in winning World Bank contracts.

---

[15]Data from World Bank Annual Reports, various years.

Figure 6: Canadian Procurement by Category (% of foreign procurement)[16]



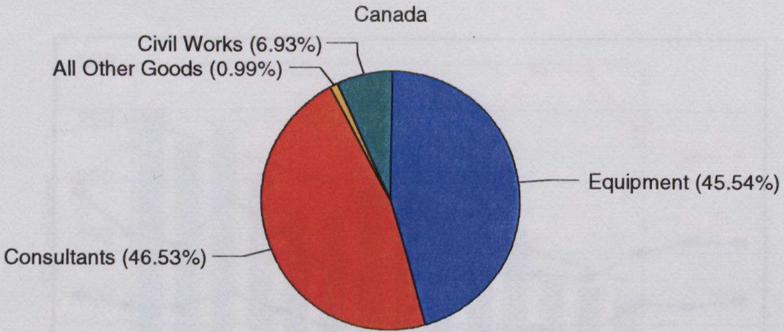
Notice that in terms of % of bank funding won, Canada does best within consultancy, then equipment and other goods[17], and lastly civil works. Our relative strength in consultancy is even more apparent when contrasted to total foreign procurement.

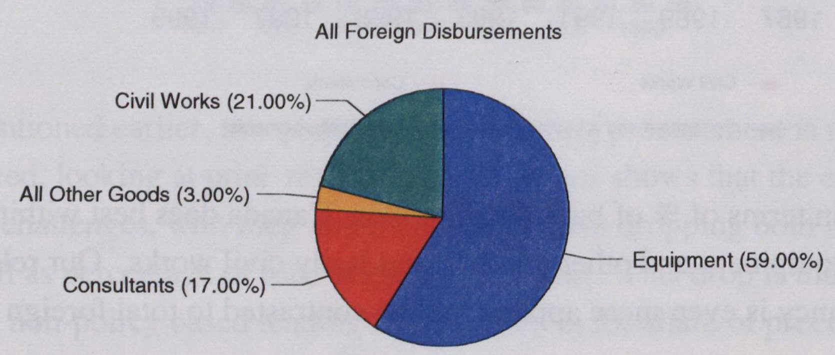
---

[16]Data from World Bank Annual Reports, various years.

[17]Note: two categories "Equipment" and "All other goods" have been amalgamated in this presentation to allow time-series analysis despite a methodological accounting change.

Figure 7: Shares of procurement (by type)[18]





Globally, is Canada Underperforming or Overperforming?

On a whole, it is worth noting a point made by Ken Watson:

> "In 1998 Canada's Gross Domestic Product was approximately Cdn. $901.8 billion. World GDP was approximately US$29,510 billion. On a purchasing-power-parity basis, then Canada had about 2.5% of world GDP. So our performance in regard to goods procurement and civil works is roughly in line with our world production share. Canada's performance in obtaining IFI consulting business is

[18]OLIFI - Washington (2000), p 3.

well above its world production share."[19]

Private-Sector Investment Financing

The International Finance Corporation (IFC) was founded in 1956 as an institution within the World Bank Group. Since that time, it has managed development finance directed at private sector projects in developing countries. It does this through debt, equity and other quasi-equity instruments. Because it works directly with companies, IFC funding does not add additional sovereign debt to borrowing countries.

In 2000, the IFC had a total portfolio of US$10.9 Billion, of which 76% were loans, and 24% were equity stakes[20]. In any particular project, the IFC limits its equity participation to 25% with a holding period of 8-15 years[21], and in no case does the IFC take controlling interest in a project. It is also worth noting that IFC participation in a project often triggers other investment because of its expertise in project evaluation.

Since its inception the IFC has grown rapidly both in terms of projects facilitated and the value of its account committed. Figure 8 tracks this growth.

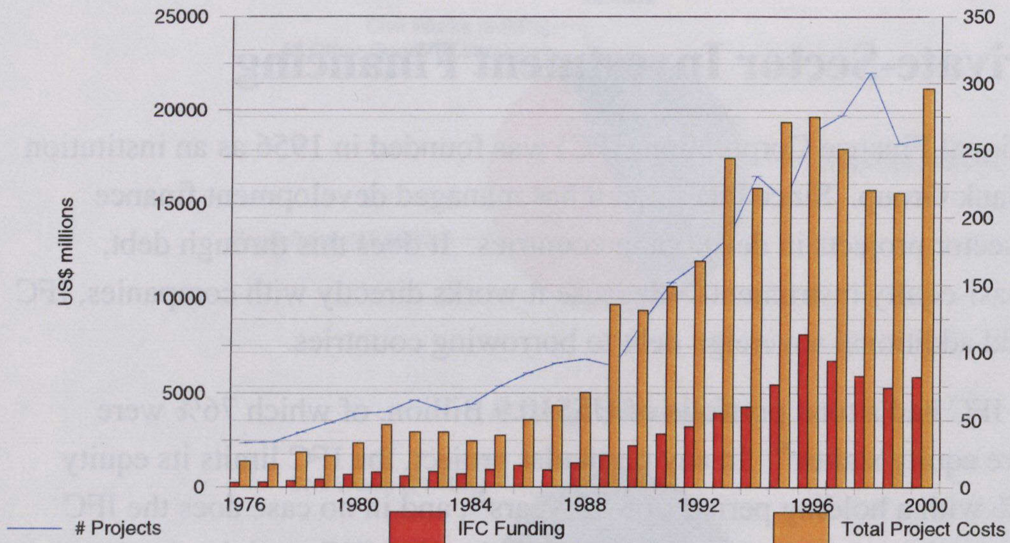
---

[19]Watson (2001), pp 3-4.

[20]IFC (2000), p 20.

[21]DFAIT (2001), p 6.

Figure 8: IFC Approved Funding[22]



As project size has grown, we also notice a change in IFC lending patterns. It has tended to focus on larger projects so that the administration costs are a lower percentage of the total project. This has threatened to leave smaller enterprises lacking funding - an issue that would impact more strongly on lesser-developed regions like Africa. The IFC response has been to lend to financial institution intermediaries who administer smaller projects. The result is that the IFC tends to lend directly only in the $4M+ range, with anything less 'farmed out'[23].

The IFC is only one of the so-called 'private sector windows' that exist within the IFIs. Another example is the Multilateral Investment Fund (MIF) within the IaDB. Virtually all the IFIs possess such a window, and the European Bank for Reconstruction and Development (EBRD) directs the majority of its funding that way. Again for reasons of simplicity, the IFC will be used as an imperfect proxy for other private sector windows.

Regional Changes

IFC funding has historically trended towards countries with the best business

---

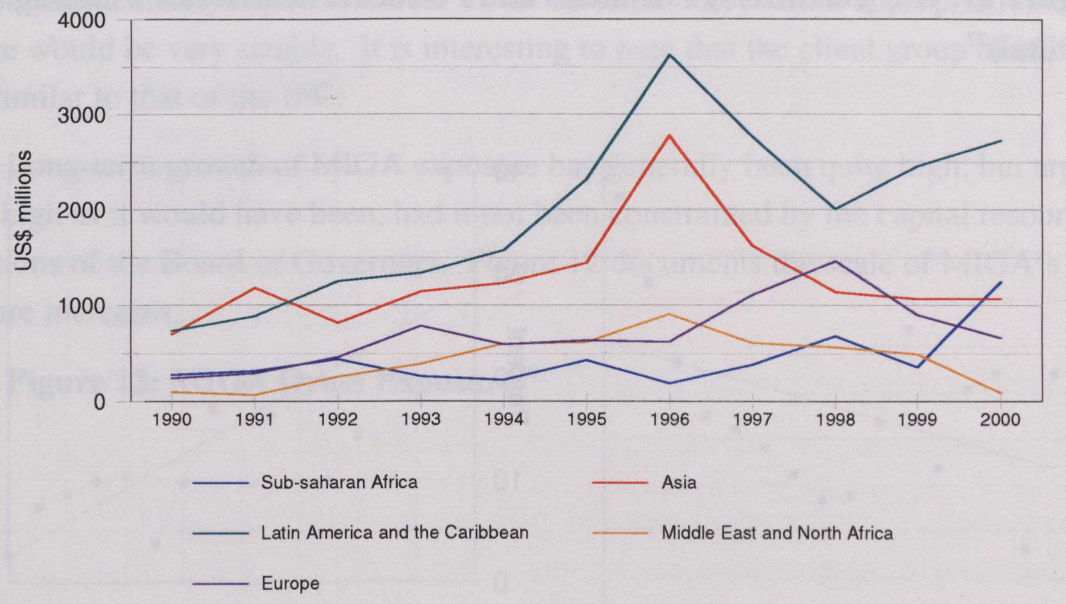
[22]Data from IFC Annual Reports, various years.

[23]DFAIT (2000), p ?.

opportunities. This creates an inherent tension because it works at cross-purposes with its development goals of promoting business in the places that tend to have the worst business opportunities (usually because of high risk). This tension is shown by the large continual presence in Latin America where significant opportunities exist, compared to its scant resources allocated to Africa.

The IFC has recently recommitted itself to Africa, which has been reflected by significantly higher funding in that region in 2000. The nature of that presence, however, has changed. Involvement in the SME sector has been devolved to local financial institutions, which are provided with capital by the IFC. These local institutions, however, may lack the project financing or SME support knowledge found at the IFC[24].

Figure 9: IFC Regional Funding[25]



Notice also the sharp decline in funding to Latin America and Asia during the financial crisis (quite in contrast to IBRD/IDA spikes over that time).

---

[24]DFAIT (2001), section 2.3.

[25]Data from IFC Annual Reports, various years.

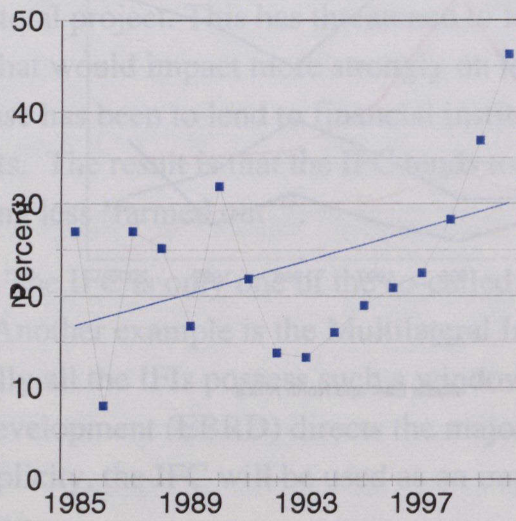
Sectoral Changes

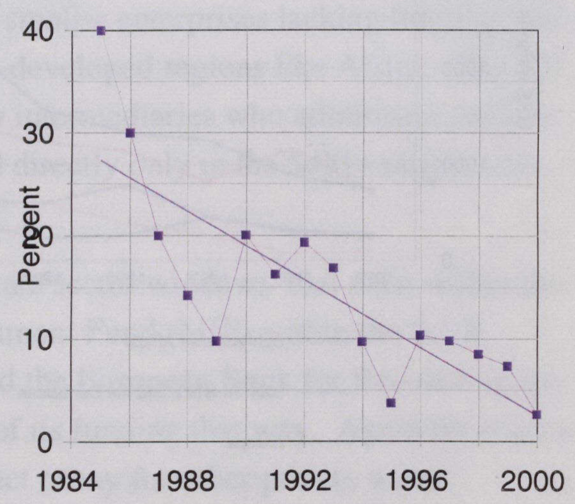
Conclusions about sector commitments of the IFC are difficult for a number of reasons. Sectoral categories have changed over time, making inter-temporal comparison difficult. This is compounded because until recently whole projects were assigned to single categories, whereas now individual parts are disaggregated. For example, in 1994 the category 'infrastructure' appeared. Infrastructure funding had occurred previously, but had always been accounted for as part of a larger project.

Despite these difficulties, at least two patterns are evident in IFC lending: the rise in funding to the financial sector and the fall in funding towards fertilizers, chemicals and petrochemicals. Figures 10 & 11 show the changes in these sectors over time.

Figure 10: IFC Financial Sector Funding (% of total)[26]

Figure 11: IFC Fertilizers, Chemicals and Petrochemical Sector Funding (% of total)[27]





[26]Data from IFC Annual Reports, various years.

[27]Data from IFC Annual Reports, various years.

Executive Vice President Peter Woicke emphasises the focus on finance in the most recent IFC Annual Report: "If entrepreneurial initiative is to be rewarded, employment created, and the quality of life improved, two sectors require special attention - financial markets and infrastructure"[28].

Investment Guarantees

The role of the Multilateral Investment Guarantee Agency (MIGA), also part of the World Bank Group, is very different from that of the IFC or IBRD/IDA. It exists to provide insurance for non-financial risk. For example, insuring against political instability and the like. This insurance is particularly important in the three sectors topping MIGA's commitments: the financial sector, infrastructure, and manufacturing (in that order[29]) , with mining also a historically prominent sector. All of these industries are characterized by large, immobile fixed investments or, in the case of banking, assets that would be immediately liquid if seized. In all cases the losses from appropriation or damage would be very sizable. It is interesting to note that the client group of MIGA is quite similar to that of the IFC.

Long-term growth of MIGA exposure has generally been quite high, but arguably not as high as it would have been, had it not been constrained by the capital resource allocations of the Board of Governors. Figure 12 documents the scale of MIGA's exposure increases.

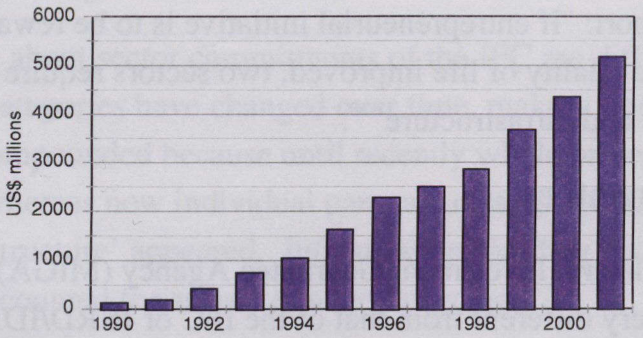
Figure 12: MIGA Gross Exposure[30]

---

[28]IFC (2000), p 6.

[29]MIGA (2001), p 3.

[30]MIGA (2001), p 2. MIGA (1999), p 4.



To put into context the size of this constraint, "on April 5, 1999 MIGA's Council of Governors approved a **doubling** of its capital resources to $2 billion" [emphasis added][31]. As investment flows continue to grow (discussed further on the section on investment), it is likely that demand will continue to grow at a rapid pace.

Regional Development Banks

Despite the usage of the World Bank as a proxy for the IFI trends, there remain some useful examples from the regional banks. This section identifies a particular challenge or distinction from each of the banks. They are meant to be illustrative in nature.

Asian Development Bank (ADB) - Technical Assistance & Consulting Success

Interestingly, Canadian consultants do disproportionately better with ADB contracts than with the other development banks. Two explanations may contribute to this. The first is that all consultant funds at the ADB are untied, and the second is the readily available information about consulting contracts.

Because consultant funds are untied, any country can win the contract from any other country's fund. Thus, Canadians have the ability to win contracts even from trust funds from other countries. If this is the dominant factor, it speaks well of Canada's ability to compete in consulting contracts.

---

[31]MIGA (1999), p vi.

Another interesting characteristic that may account for the performance difference is the available information on Technical Assistance (TA) projects within the ADB. TA projects are essentially consulting contracts, and uniquely to the ADB are listed on its website. There are two types of TA: those directly associated with projects and a free-standing TA program run by the ADB (for the latter the ADB, rather than a borrowing country, is the client).

Having TA opportunities listed on the website is very different than the other IFIs. For example, the World Bank lists such opportunities within their Project Appraisal Document (PAD), which outlines the entire project and would need to be referenced and analysed to understand opportunities. Thus ADB consulting opportunities are much easier for Canadian consultants to track.

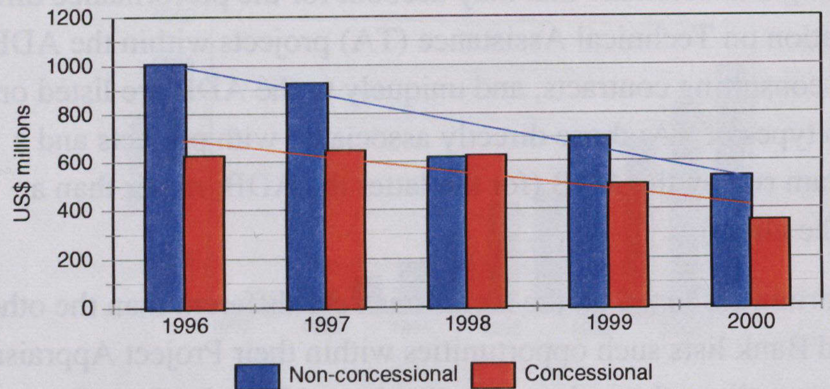
Future work could reveal the relative impact of these two effects by looking at the number of bids received and contracts won by Canadians on projects advertised. All else equal, if untying is the crucial factor, we would expect a similar number of bids per project, but a higher bid success rate. Conversely, if available information is the dominant factor, we would expect a normal bid success rate, but a higher number of Canadian bids per project.

African Development Bank (AfDB) - Challenges of Institutional Capacity and Unstable Environment

The African Development Bank has faced many challenges in recent years. This has included resource shortages and debtor repayment issues. It has also faced demand-side weakness for its products. Figure 13 illustrates Board approvals from the Banks two funds, the African Development Bank (non-concessional) and the African Development Fund (concessional):

Figure 13: African Development Bank approvals [32]

[32]Office of the Executive Director (AfDB) (2001), p 20.



Such a lack of demand for AfDB products raises serious issues about its direction and viability.

Depending on the causes, this decline may or may not be a negative result for the countries involved. For example, if this decline were occurring because other financing instruments have become more competitive, it would represent a deepening of the capital market in Africa - certainly a positive result. One definite cause of the drop appears to be a decline in the willingness of countries to issue sovereign guarantees for state-owned enterprises (again possibly a positive result because of high existing debt levels). Still, for the AfDB, this decline means a decrease in loan revenue, and more importantly a decreasing relevance in its core mandate[33].

Inter-American Development Bank (IaDB) - Concentration of Investment

Within the IaDB, Brazil is the largest debtor, holding approximately 25% of outstanding non-concessional loans. This creates challenges for the IaDB itself, as it makes risk-diversification difficult. Indeed such a concentration might pose a threat to the IaDB were Brazil ever to default on its obligations.

Caribbean Development Bank (CDB) - Blended loans & Comparative Advantage

As indicated earlier, banks often have a concessional window and a

[33]Office of the Executive Director (AfDB) (2001), pp 3-4.

non-concessional window. Of a banks members, usually only certain countries will be eligible for fully concessional loans. Others are likely to be eligible for a blend of concessional and non-concessional resources, resulting in a loan that has better-than-market rates, but not as good as those in a pure concessional loan. Still others are likely to only be eligible for non-concessional funds.

In this respect, the CDB is a particularly interesting example, as all their members have low per capita incomes that qualify them for concessional funds. As a result, the CDB can tailor individual loans to make them as concessional or market-based as desired.

Regional banks, such as the CDB, also often have lines of credit provided by the other banks that they on-lend. For example the CDB has a line of credit from the IaDB. This allows the IaDB, whose apparati are set up for larger loans, to recognize CDB's comparative advantage in smaller loans.

Finally, it is worth mentioning that the CDB, despite its small size, is quite a relevant market for Canadian companies because the United States is not a member, and hence their companies are ineligible for such bidding.

European Bank for Reconstruction and Development (EBRD) - A different model

Founded only recently, the EBRD was created to help rebuild Central and Eastern Europe after the fall of the Iron Curtain. The EBRD is very different than the other IFIs. It engages in no policy-based lending of any kind, as is forbidden to do so by its charter. This includes emergency lending. And thus, it engages in no balance-of-payments funding nor country bail-outs[34].

The EBRD is also more targeted to private sector, commercial-viable funding. Indeed its minimum funding target is a 60% private, 40% public split for project lending[35]. In practice fully 75% is private. This focus on the private sector has important impacts on procurement opportunities. And thus, while the smaller public sector share must undergo standard World Bank-type procurement rules, private companies who borrow are able to use their usual commercial practices for procurement.

[34] EBRD (2001), p 11.

[35] EBRD (2001), p 6.

EBRD has many commonalities with the IFC. Like the IFC, debt incurred by private companies is not backed by a sovereign guarantee (this prevents citizens from paying for poor investment choices by either companies or the EBRD). Also similarly, EBRD's financing priorities include finance, manufacturing and Energy/Power generation, which make up almost 60% of its funding[36]. It also faces the common problem of generating investment in the economies most in need. This is difficult for the EBRD as historically it has been an organization that followed where private sector demand has led it. For countries where such demand has not been realized, the EBRD is now considering a more proactive approach.

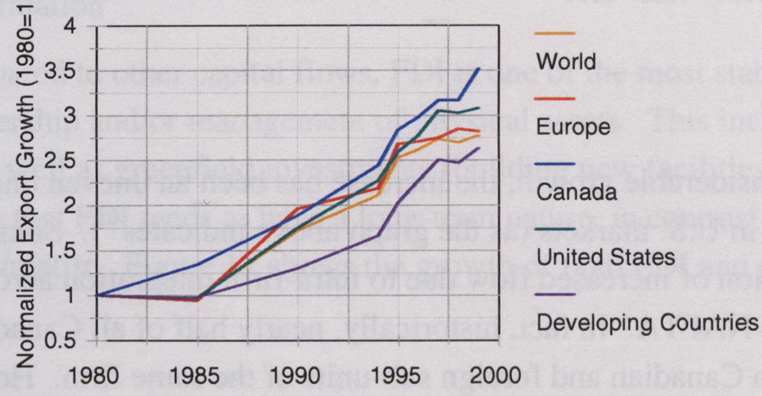
[36] EBRD (2001), p 13.

Global Commerce: Trade and Investment

Trade

The value of traded goods has grown significantly over the past twenty years, with world exports growing almost threefold. Figure 14 shows this growth, normalized to 1980. Notice that of the countries listed, Canada has the highest trade growth, followed by the United States. Both are well above the global average. Conversely, Europe is roughly at the average, and developing countries fall below it.

Figure 14: International Export Growth[37]



It is reasonable to assume that this growth is a function of both trade liberalizing agreements (either multilateral or bilateral) and technological change.

Canadian Snapshot: Trade

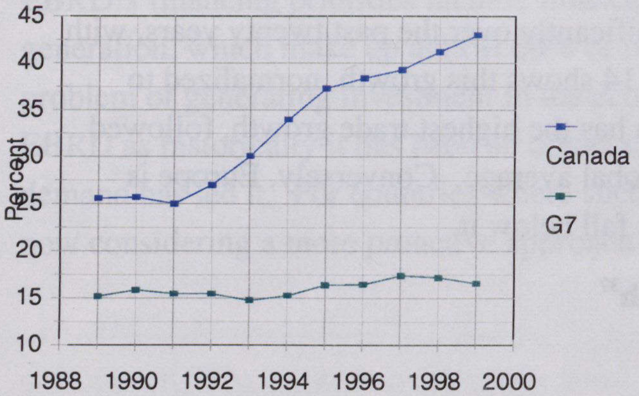
Contextually, it is important to understand how Canadian trade is evolving and how it will impact IFI procurement. As a small open economy, a high percentage of Canada's GDP is based in trade. In addition to this already high level of trade, growth in Canadian trade has far outstripped that of the rest of the G7 in recent years.

---

[37]UNCTAD (2000), p 2.

Figure 15: Exports (as a share of GDP)[38]

Figure 16: Canadian Exports to the USA[39]



Despite this considerable growth, the increase has been an uneven one, with almost all of the gain coming in U.S. markets (as the graph above indicates[40]). Some of this increase is just a function of increased flow due to intra-firm integration across a border now more open due to NAFTA. In fact, historically, nearly half of all Canadian exports have occurred between Canadian and foreign sub-units of the same firm. However, when examined in the context of total Canadian exports, we see that the increase in concentration of exports to the U.S. is actually because Canada maintained its market share of growing U.S. imports while losing market share in each of Japan, UK, China, and EU over that time period![41]

This issue is particularly salient in Canada's trade with least-developed countries (the IFI target markets) that has fallen precipitously. This trade has experienced only a small nominal increase over the past twenty years, and in relative terms have fallen from

---

[38]data from DFAIT (2001b), Table 1b.

[39]DFAIT (2001b), Table 1c.

[40]DFAIT (2001b), Table 1d.

[41]DFAIT (2001b), Table 1d.

0.7% of merchandise exports in 1980, to 0.4% in 1990 and 0.3% in 1999[42]. This is of great importance in bidding for IFI-funded contracts as previous experience in the target market is a key factor to winning bids.

Investment

Over the 1991-1999 period, the global growth rate of FDI has outstripped both the growth of GDP and the growth of trade, growing at an astonishing 23% per annum (to over US$1 trillion in 2000), while GDP and trade grew at 4% and 7% respectively[43]. This investment represents an increasing portion of international production, and now accounts for one-tenth of World GDP (in 1982 it accounted for only one-twentieth[44]). Similarly, both globally and in developing countries, FDI now accounts for over 10% of all gross fixed capital formation[45].

As compared to other capital flows, FDI is one of the most stable because it represents ownership and/or management of physical assets. This includes mergers and acquisitions, as well as greenfield investments (building new facilities)[46]. This physical presence means that FDI tends to have a long-term nature, in contrast with portfolio flows that tend to be volatile. Figure 17 shows the growth of both FDI and portfolio flows over the last decade.

---

[42]WTO (2000), p 32.

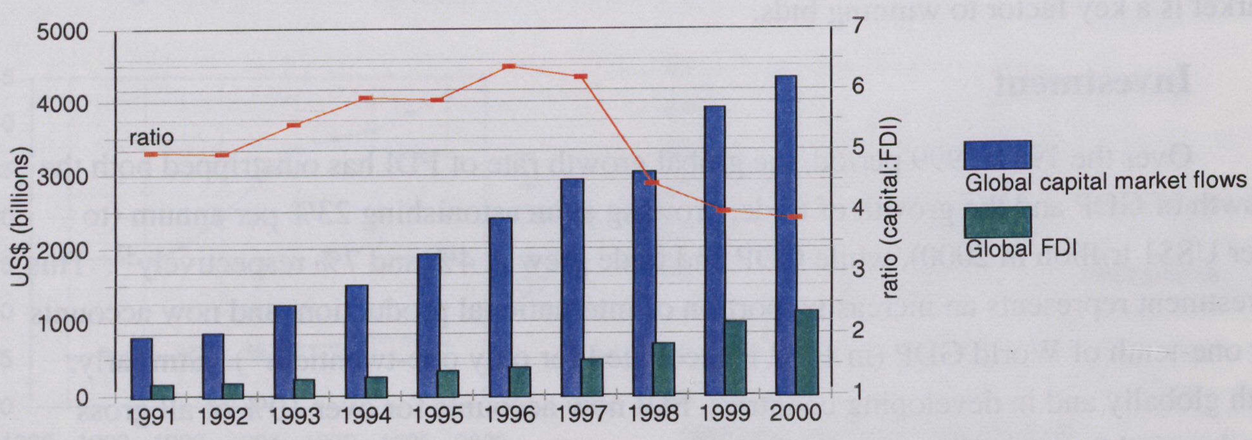
[43]EDC (2000), p 2.

[44]United Nations (2000), p 3.

[45]United Nations (2000a), pp 306-307.

[46] The definition of FDI used throughout is that from the OECD guidelines: "Foreign direct investment reflects the objective of obtaining a lasting interest by a resident entity in one economy ("direct investor") in an entity resident in an economy other than that of the investor ("direct investment enterprise"). The lasting interest implies the existence of a long-term relationship between the direct investor and the enterprise and a significant degree of influence of the management of the enterprise." OECD (1996), p 7. The threshold level is deemed to be a ten percent holding of ordinary shares or voting power.

Figure 17: Global Capital Flows[47]



Who owns these stocks?

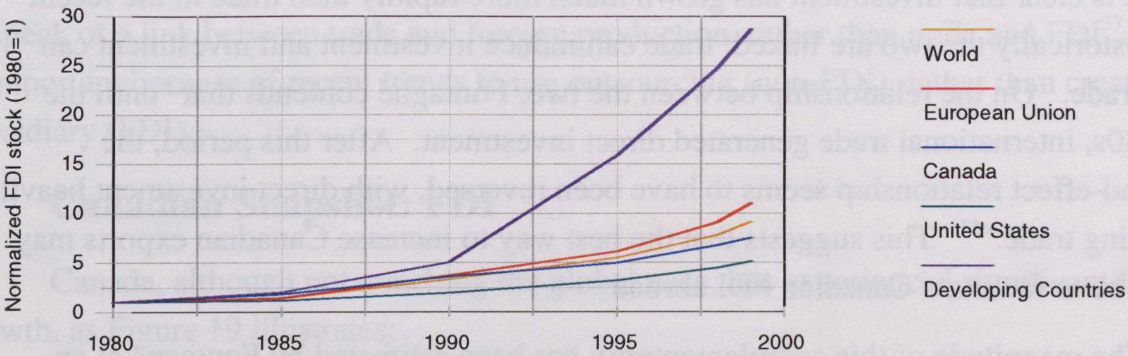
These increases in FDI have been concentrated, with both developing countries and the European Union accumulating FDI faster than the world average. Conversely Canada, and to an even greater extent the United States, have fallen below that average. This has created a divergence in the value of EU and the USA FDI stocks from parity in 1980 to where EU stocks are double those of the USA[48]. Contrasting Figure 18 with Figure 14 illustrates the much more rapid pace that FDI has grown, as compared to trade.

---

[47]World Bank (2001), p 37.

[48]United Nations (2000a), p 300.

Figure 18: Growth in the Global Stock of FDI (1980=1)[49]



Where is FDI going?

Despite popular rhetoric to the contrary, FDI inflows to the developing world and the developed world seemed to be increasing apace over the nineties, each having more than quadrupled since the late eighties[50]. Within the group of developing countries, however, there is great heterogeneity with just "four countries - Brazil, China, Mexico and Turkey-account[ing] for about 85 percent of all equity flows to developing countries" in 2000[51].

What is the nature of these flows?

Of worldwide FDI, over 80% took the form of cross-border Mergers and Acquisitions (M&As). Almost all of this type of FDI is found in the developed world. The majority of FDI in the developing world is still greenfield development[52].

---

[49]United Nations (2000a), pp 300-301.

[50]United Nations (2000a), p 283.

[51]World Bank (2001), p 47.

[52]United Nations (2000), p 18. It should be noted that M&As are not entirely a sub-category of FDI, as some M&A activity can occur under the 10% threshold.

Trade relative to FDI

It is clear that investment has grown much more rapidly than trade in the recent past. Historically the two are linked: trade can induce investment and investment can induce trade. On the relationship between the two, Fontagné contends that "until the mid-1980s, international trade generated direct investment. After this period, the cause-and-effect relationship seems to have been reversed, with direct investment heavily influencing trade."[53] This suggests that the best way to increase Canadian exports may actually be to facilitate Canadian FDI abroad.

The magnitude of this complementarity has been estimated by Fontagné at an export growth of $0.60 for each dollar invested in major economies, and $2 for each in developing countries[54]. Thus, in terms of import/export considerations, exposure to the developing world is highly preferable.

In addition to magnitude changes, the causal factors driving FDI have also changed. When tariff protection of national industries was more robust, FDI was often used as a market-entry method for a product. Companies would build plants inside tariff walls. Theory suggests that in this case capital flows are being used as a substitute for product flows. That is, companies choose to make an investment **instead** of trading.

Conversely, with the recent tariff drops, industries now tend to use FDI to vertically integrate production lines across countries[55]. They locate each part of the production process in the country with the biggest competitive advantage. The consequence is an increase in trade flows accompanying investment.

Understanding this new causal factor behind investment sheds light on the difference in complementarities between developing countries and developed economies. FDI in developed countries tends to be for domestic market consumption and because of economic depth, may be able to locate domestic suppliers. Conversely, FDI in developing countries is more likely to be for export production and is also more likely to

---

[53]Fontagné (1999), p 5.

[54]Fontagné (1999), p 5.

[55]EDC (2000), p 2.

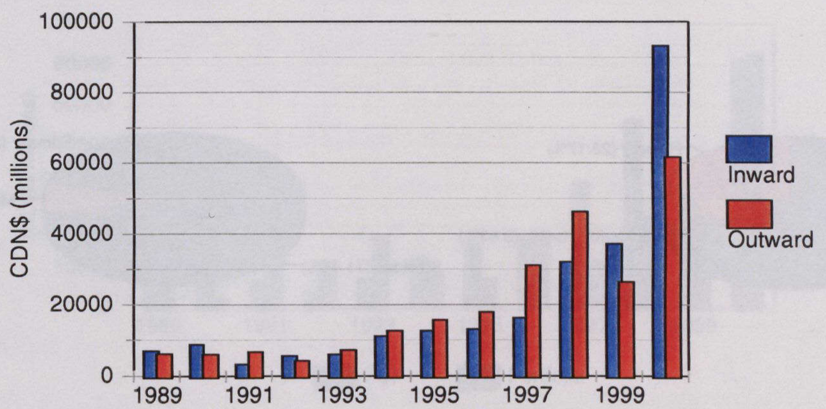
require imported inputs[56].

Notice that following this logic, as Brainard points out, it is actually more accurate to speak of a link between trade and foreign production, rather than trade and FDI[57]. This is important because of recent trends to use outsourcing (non-FDI), rather than creating a subsidiary (FDI).

Canadian Snapshot: FDI

Canada, although not matching the global pace, has experienced significant FDI growth, as Figure 19 illustrates:

Figure 19: Canadian FDI Flows[58]



Of all Canadian investment abroad, the majority goes to the United States, which "has been and continues to be the most favoured country for Canadian direct and portfolio investments"[59]. That said, Canadian exposure in the USA over the last twenty years has actually fallen with FDI falling by 5% (to ~60%) and portfolio investment falling by 30% (to 50%)[60].

---

[56]EDC (2000), p 14.

[57]Hejazi and Safarian (1999), p 4.

[58]data from DFAIT (2001b), Table 6A.

[59]Lajule (2000), p 13.

[60]Lajule (2000), p 14.

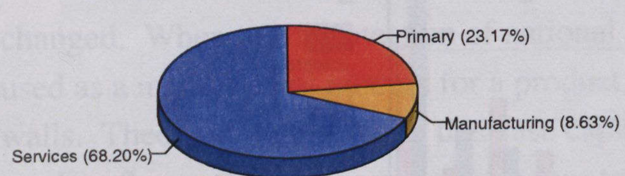
Keeping in mind the earlier statistic that trade with the U.S. has increased in relative importance, we can conclude that Canadian companies are choosing to export directly, rather than building plants in the U.S. Potential causes for this include the movement of the exchange rates and dispute resolution mechanisms under NAFTA that make them less liable to protectionist lobbying by American producers.

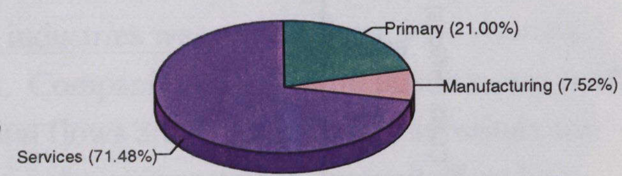
In what sectors is Canada's FDI?

As an aggregate, Canadian foreign direct investment shows a strong focus in the services sector and contains only a small component in manufacturing.

Figure 20: Cumulative outward-FDI flows from Canada 1995-1999[61]

Figure 21: Canadian FDI stock abroad[62]





Disaggregating this shows Canada's particularly strong sectoral placement in the 'Finance and Insurance' and 'Energy and metallic mineral' markets, as is shown in Table 3.

---

[61]OECD (2000), pp 78, 85.

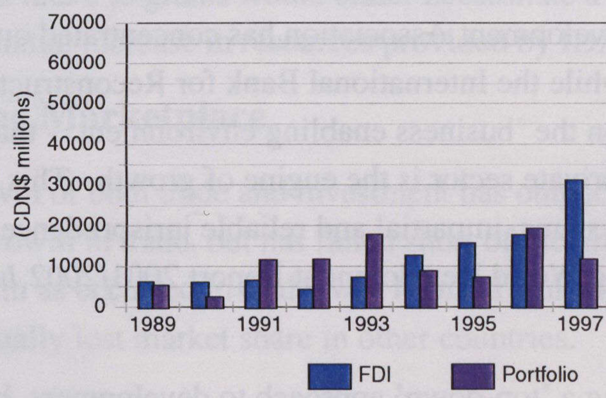
[62]data from OECD (2000), pp 78, 85.

Table 3: Canadian FDI Stock, by Sector[63]

Industry	Outward CDN$ billions	%	Inward CDN$ billions	%
Wood and paper	7.8	2.6	15.3	5.3
Energy and metallic minerals	63.9	21.2	50.6	17.4
Machinery and transportation equipment	16.3	5.4	42.8	14.7
Finance and Insurance	103.8	34.4	49.7	17.0
Sevices and retailing	32.7	10.8	24.3	8.4
Other industries	77.0	25.6	108.8	37.3
Total	**301.4**	**100.0**	**291.5**	**100.0**

Canada also has significant portfolio investments abroad.

Figure 22: FDI vs. Portfolio flows for Canada (2000)[64]



Conclusions...

...for the IFIs

Over the last fifteen years, the role and tools of the International Financial Institutions have changed dramatically. More than ever before, they use quick-disbursing policy-based lending for structural adjustment or for emergency lending. Arguably this has promoted development, but also opened the IFIs to criticisms of promoting big business interests and mimicking a role already played by the International Monetary Fund. What is certainly clear for Canadians, is that higher policy-based lending means

---

[63] DFAIT (2001b), p 46.

[64] DFAIT (2001b), p 51. And DFAIT (2001b), Appendix Table 3A.

fewer monies are available within IFI procurement guidelines. So, to win contracts, Canadian companies will increasingly need to form links with borrowing governments, perhaps even becoming players in everyday government procurement. Otherwise, they may find these fast-disbursing loans remaining largely out of reach.

From a policy perspective, increased focus on policy-based lending also reduces the transparency of procurement (it is largely untracked), and provides less recourse in situations of unfair awarding of contracts.

Recurrence of high volumes of policy-based lending in the future should not be discounted, as continued integration in world markets may increase the threat of financial contagion, and provide pressure to repeat such actions.

Within the institutions of the World Bank, there has also been significant refocusing. The International Development Association has concentrated on its core mandate of alleviating poverty, while the International Bank for Reconstruction and Development has focused more on the 'business enabling environment' - that governments create the framework, while the private sector is the engine of growth. This approach stresses the value of regulatory systems, impartial and reliable jurisprudence, and good governance. Indeed the upcoming World Development Report 2001/2002 *Institutions for Markets* explores this in detail.

Oft critiqued for advocating a 'top-down' approach to development, both the IBRD and IDA have responded by advocating more borrower-led development and giving countries a stronger voice in their own development policies. Such programs have tended to result in higher spending on both health and education policies. This likely reflects a previous under-valuation of such programs, and also the domestic political popularity of such programs to borrowing-country leaders.

At the same time there has also been an implicit change of focus away from public-sector lending and towards lending directly to the private sector. This can be seen in the relative stagnation of IBRD/IDA funds (excepting the temporary increase due to the Asian flu), as compared to the rapid and continued growth in IFC and MIGA funding. This is likely a function of both an ideology change within development and an indication of an appetite for such funds from the private sector.

The implications for Canadians business are likely that consultation opportunities, particularly in the social, environment, and good governance sectors will continue to garner a larger share of IBRD/IDA funds. Conversely, for some major projects, focus may be shifting from build-transfer or build-operate-transfer mechanisms financed by loans, to ongoing investment in such countries promoted by the IFC and other private-sector windows. The current and growing impact of the HIV/AIDS pandemic in Africa and South-east Asia is also likely to augment the priority on health over the near future.

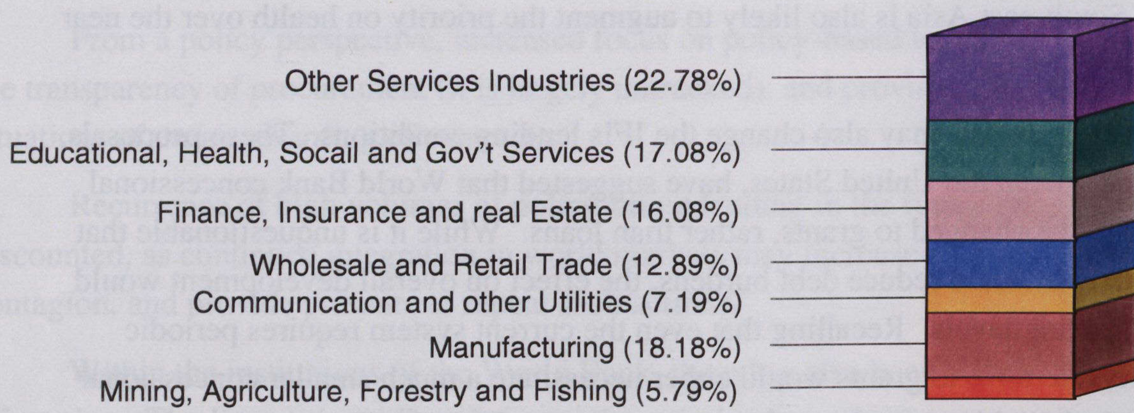
Recent proposals may also change the IFIs lending conditions. These proposals, coming largely from the United States, have suggested that World Bank concessional lending should be changed to grants, rather than loans. While it is unquestionable that such an initiative would reduce debt burdens, the effect on overall development would depend on funding levels. Recalling that even the current system requires periodic replenishment, a move to grants would either necessitate a much smaller concessional pool, or a substantial increase in resources provided by IDA members.

...for the Marketplace

The growth of both trade and investment has outpaced GDP globally. Canada has outpaced this growth in trade, but has fallen short of the growth in investment. Indeed even such growth as occurred in trade, was focused almost entirely in the United States, and Canada actually lost market share in other countries.

This has important impacts on Canadian success with IFI-financed projects both because the procurement regulations favour domestic capacity building and because of the value placed on area-specific knowledge as selection criteria. In order to respond to this Canada will need to look to a more holistic internationalization of business, involving both trade **and** investment. If Canada fails to do this, it risks losing such markets to other countries that are more engaged.

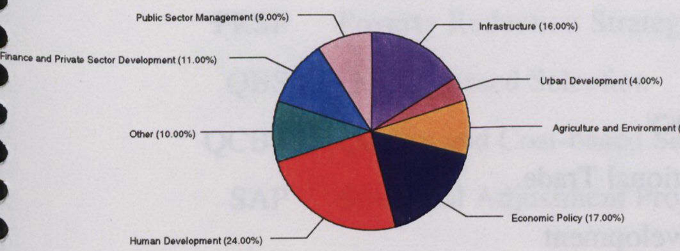
Appendix A: Canadian GDP in 2000 (by Sector)[65]



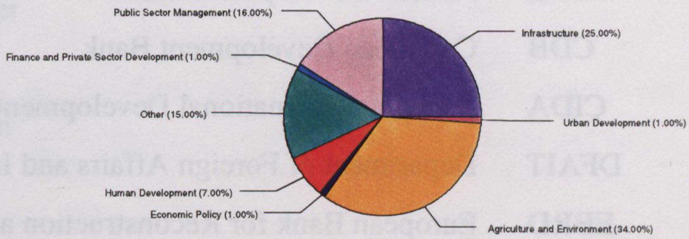
[65]DFAIT (2001a), p 1.

Appendix B: World Bank Sectoral Funding, by Region[66]

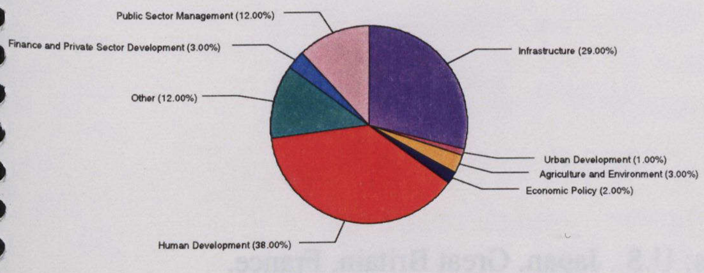
Africa



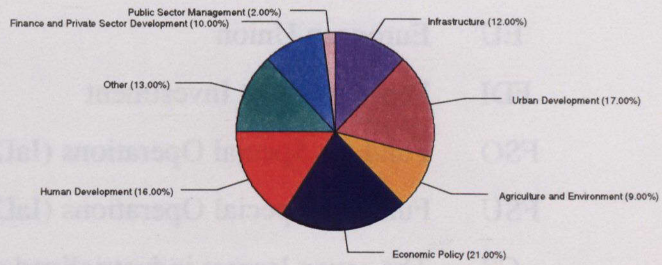
East Asia and Pacific



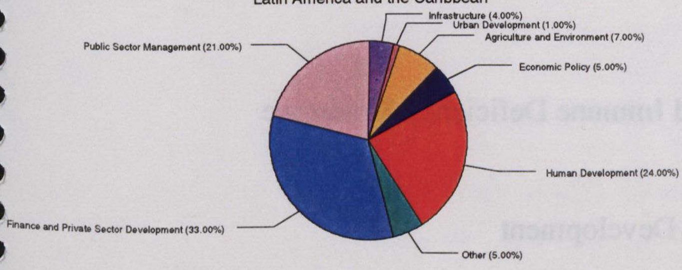
South Asia



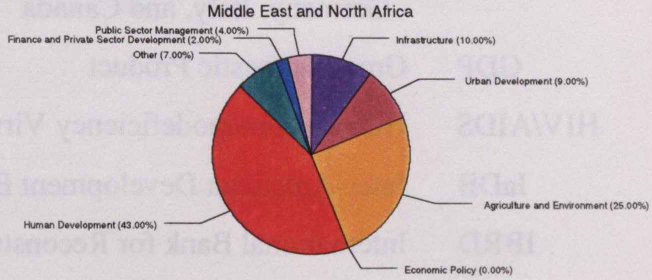
Europe and Central Asia



Latin America and the Caribbean



Middle East and North Africa



---

[66] Trade Partners UK (2001), pp 10-13.

Appendix C: Abbreviations

ADB	Asian Development Bank
AfDB	African Development Bank
CDB	Caribbean Development Bank
CIDA	Canadian International Development Agency
DFAIT	Department of Foreign Affairs and International Trade
EBRD	European Bank for Reconstruction and Development
EDC	Export Development Corporation
EU	European Union
FDI	Foreign Direct Investment
FSO	Fund for Special Operations (IaDB)
FSU	Fund for Special Operations (IaDB)
G7	The seven largest industrialized countries: U.S., Japan, Great Britain, France, Germany, Italy, and Canada
GDP	Gross Domestic Product
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
IaDB	Inter-American Development Bank
IBRD	International Bank for Reconstruction and Development
ICB	International Competitive Bidding
IDA	International Development Association
IFC	International Finance Corporation
IFI	International Financial Institution: used here to refer to the six that Canada is a member of (EBRD, World Bank, CDB, IaDB, AfDB, ADB)
IMF	International Monetary Fund
LIB	Limited International Bidding
M&A	Mergers and Acquisitions
MIF	Multilateral Investment Fund (IaDB)
MIGA	Multilateral Investment Guarantee Agency

NAFTA	North American Free Trade Agreement
NCB	National Competitive Bidding
OECD	Organization for Economic Cooperation and Development
PAD	Project Appraisal Document
PRSP	Poverty Reduction Strategy Paper
QBS	Quality-based Selection
QCBS	Quality and Cost-based Selection
SAP	Structural Adjustment Program

Appendix D: Consultative Sources

The following people provided input and advice on this project. Any insightful content is only possible because of their help. Conversely, I am quite capable of making errors on my own - and thus all errors should be attributed to me alone.

Special thanks to the Export Financing Division (TBF) at DFAIT which provided me a home while completing this work, and in particular to Mona Ip, Alexandra Wood, and Sara Hradecky who were very supportive of my efforts.

Ash Ahmad, Industry Canada

Leopold Battel, DFAIT

David Brown, Consultant

Jonathan Caldicott, CIDA

Stéphane Charbonneau, DFAIT

Matthew Clark, DFAIT

David Clayton, Consultant

John Davison, DFAIT

Pierre Delorme, DFAIT

Enrique Flores, IMF

Jean-François Desgroseilliers, DFAIT

Xavier Furtado, CIDA

Monica Gruder-Drake, Consultant

Paul Hitschfeld, CIDA

Angela Keller-Herzog, CIDA

John Kur, EBRD

Hung-Hay Lau, DFAIT

Patricia Malikail, DFAIT

Heather Matson, CIDA

François Pagé, World Bank

Louis Poliquin, Consultant

Ian Shaw, DFAIT

Andrée Vary, DFAIT

Ken Watson, Consultant

Hugh Wilkinson, Consultant

Ian Wright, World Bank

References

ADB. 1998. *Guidelines on the use of Consultants by Asian Development Bank and its Borrowers.* Asian Development Bank, Manila.

Aylward, Anthony. Undated. *Trends in Venture Capital Finance in Developing Countries*. IFC Discussion Paper 36. IFC, Washington D.C.

Bouton, Lawrence, and Mariusz A. Sumlinski. 2000. *Trends in Private Investment in Developing Countries: Statistics for 1970-1998* . International Finance Corporation, Washington, D.C.

Clayton, David. 1994. *IFI Business Opportunities in Latin America: Factors in the Success of Winning Companies*. Prepared for International Trade Centre, Vancouver, B.C. Unpublished.

DFAIT. 2001. *Trade and Project Financing in West Africa* . West and Central Africa Relations Division. DFAIT, Ottawa.

DFAIT. 2001a. *Pocket Facts: Canada - Economic Indicators* . Trade and Economic Analysis Unit (EET), Department of Foreign Affairs and International Trade. <http://www.dfait-maeci.gc.ca/eet/CIMT/PFact_No_57-e.pdf>. August 2001.

DFAIT. 2001b. *Trade Update 2001: Second Annual Report on Canada's State of Trade*. Trade and Economic Analysis Unit (EET), Department of Foreign Affairs and International Trade, Ottawa.

EBRD. 2001. *EBRD: Investment of Choice*. <http://www.ebrd.org/english/treas/fund/pres.pdf>. August 2001.

EDC. 2000. *Foreign Direct Investment Monitor*. December 2000 edition. http://www.edc-see.ca/docs/country/economics/fdimonitor/fdimon_e.pdf.

Fontagné, Lionel. 1999. *Foreign direct investment and international trade: complements or substitutes?* STI Working papers. DSTI/DOC (99)3. OECD, Paris.

Hejazi, Walid, and A. Edward Safarian. 1999. *Perspectives on North American Free Trade: Modelling Links between Canadian Trade and Foreign Direct Investment*. Research Publications Program, Paper Number 2, April 1999.

Industry Canada, Ottawa.

IADB. 2001. *The Multilateral Investment Fund*. <www.iadb.org/mif/eng/about/about.htm>. July 2001.

IFC. Various Years (1985-2000). *IFC Annual Report*. International Finance Corporation, Washington, D.C.

Lajule, Christian. 2000. *Foreign Direct Investment: A driving force in Economic Globalization*. Research Paper 67F0001MPB01020, Balance of Payments Division, Statistics Canada, Ottawa.

MIGA. 1999. *Annual Report 1999.* MIGA, Washington, D.C.

MIGA. 2001. *P.D.* MIGA, Washington.

OECD. 1996. *OECD Benchmark Definition of Foreign Direct Investment*. OECD, Ottawa.

OECD. 2000. *International Direct Investment Statistics Yearbook*. OECD, Paris.

Office of the Executive Director (African Development Bank Group). 2001. *Annual Report 2000*. Office of the Executive Director, Abidjan.

OLIFI - Washington. 1999. *Advice for SMEs Pursuing Procurement Opportunities Financed by the World Bank and the Inter-American Development.* Office of Liaison with International Financial Institutions, Canadian Embassy, Washington, D.C.

OLIFI - Washington. 2000. *Canadian Procurement at the World Bank: FY 1999 Update*. Office of Liaison with International Financial Institutions, Canadian Embassy, Washington, D.C.

SNC-Lavalin. 2001. *Profile*. <http://www.snclavalin.com/e/e-index.asp>. August 2001.

Trade Partners UK. 2001. *Winning aid-funded business: the World Bank Group*. Business Development Team, Trade Partners UK, location not listed.

UNCTAD. 2000. *UNCTAD Handbook of Statistics*. United Nations, New York.

United Nations. 2000. *World Investment Report 2000: Cross-border Mergers and Acquisitions and Development Overview*. United Nations, New York.

United Nations. 2000a. *World Investment Report 2000: Cross-border Mergers and Acquisitions and Development*. United Nations, New York.

Watson, Ken. 2001. *IFI Bidding Success Factors and Support Needs*. Prepared for Export Financing Division (TBF), Department of Foreign Affairs and International Trade. Draft.

World Bank. Various Years (1981-1999). *Annual Report*. World Bank, Washington, D.C.

World Bank. 1992a. *Disbursement Handbook*. World Bank, Washington, D.C.

World Bank. 2000. *Global Development Finance.* Analysis and Summary Tables. World Bank, Washington, D.C.

World Bank. 2000a. *Annual Report: Financial Statements and Appendixes to the Annual Report.* World Bank, Washington, D.C.

World Bank. 2001. *Global Development Finance*. Analysis and Summary Tables. World Bank, Washington, D.C.

World Bank. 2001b. *WB Procurement Data Set*. Informal data run. World Bank Procurement Unit. World Bank, Washington D.C.

World Bank. 2001c. *What is IDA?* <www.worldbank.org/ida/idao.html>. August 2001.

World Bank. 2001d. *Snapshot of the New World Bank Contracts/Contractors Search Database*. <www4.worldbank.org/sprojects/AdvancedContract.asp>. August 2001.

WTO. 2000. *International Trade Statistics 2000.* <www.wto.org/english/res_e/statis_e/stat_toc_e.htm>. July 2001.