

ABSTRACT

The Impact of the Inter-American Development Bank's Procurement Procedures on the Local Roads and Bridges Sector

Roger C. Anthony

The financing of major projects in the local roads and bridges sector has traditionally been undertaken by the State. The role of the State expanded dramatically in the 1970s and 1980s as benefits accrued to the country in the wake of an increase in international oil prices. However, a drop in oil prices later curtailed the ability of the State to fulfill this role.

Over the last fifteen years, the Inter-American Development Bank with its strict procurement procedures, has emerged as the main financier of major highway and bridge works. This has affected local Consultants and Contractors in a number of ways and this paper sets out to assess the impact of these procedures on the local sector. It traces the increasing influence of the Bank in regional and local financing, describes the relevant procurement procedures, identifies the issues affecting the sector and records the views of local Consultants and Contractors on these particular issues.

The paper concludes that the majority of local Consultants perceive they are being disadvantaged by the Bank's procedures and this has influenced them to enter into different types of arrangements with foreign firms in order to win contracts. On the other hand, most Contractors believe that the procedures are fair and equitable since they have been independently able to win contracts (albeit usually smaller-value ones) in spite of the issues involved.

Finally, the paper offers some recommendations which are intended to minimize the perceived disadvantages to local firms so that they can reduce their dependence on foreign input when seeking to secure projects financed by the Bank.

Keywords: Roger C. Anthony; Inter-American Development Bank (IDB); procurement procedures; International Competitive Bidding (ICB); foreign firms; perceived disadvantage; roads and bridges sector.

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