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OECD Countries Agree to Open Bidding for Projects Financed by Untied Aid Credits

OECD countries participating in the OECD Export Credit Arrangement agreed on a two-year pilot programme which will provide greater transparency and efficiency in the use of untied aid credits to developing countries by inviting public bidding from firms wishing to participate in projects financed by aid.

Untied aid credits are development assistance loans that can be used to pay for purchases of goods and services from any country, rather than just the country providing the loan. The agreement is designed to create more effective competition in the use of such loans, so as to allow developing countries themselves to choose the goods and services they need at the most advantageous price.

The Chairman of the Participants to the OECD Export Credit Arrangement, Mike Roberts, said that the countries concerned agreed to enhanced transparency for these loans, which are an increasingly important mode of development assistance, in the hope that this will improve their effectiveness and further promote their use. Participants to the Arrangement include Australia, Canada, all 25 members of the European Community, Japan, Korea, New Zealand, Norway, Switzerland and the United States.

Beginning 1 January 2005, public notification of untied aid credits of SDR5 million or more will be provided 30 days before the start of a bidding period, under a system to be administered by the OECD, in order to facilitate the widest possible participation in these bids. In addition, countries participating in the agreement will, on an annual basis, provide information on the outcome of each bid. To further facilitate international competition for these projects, participants agreed on a minimum bidding period of 45 days for projects financed with untied aid credits.

For further information, journalists are invited to contact Janet West in the OECD's Trade Directorate (tel. (33) 1 45 24 89 10 or janet.west@oecd.org).

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