



MULTILATERAL BUSINESS GUIDE

**Winning Contracts with Multilateral Development
Banks and United Nations Agencies**

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1. Introduction

Multilateral refers to international organisations which are owned and financed by member governments, and whose basic interest is to address issues requiring international cooperation.

There are three major multilateral institutions that procure goods and services. These are :

- The World Bank Group
- The Asian Development Bank (ADB)
- United Nations (UN)

The World Bank and ADB are multilateral development banks (MDBs). MDBs provide concessional finance to governments of developing member countries (DMCs) for development projects across a wide range of sectors. UN procurement refers to the supply of goods and services to UN humanitarian agencies, and UN sponsored Peacekeeping missions

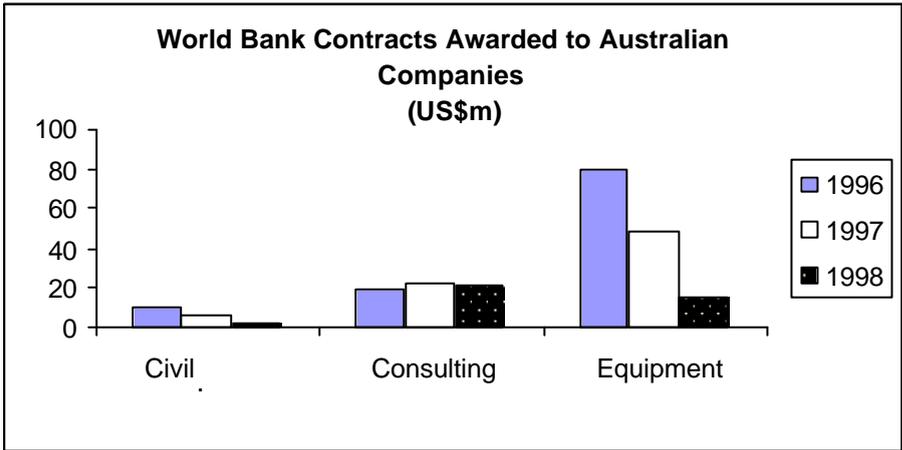
While funding for multilateral agencies is provided by member governments who represent mostly the industrialised or developed world, multilateral organisations do not represent the interests of any single member country.

Multilateral procurement refers to the provision of goods and services to multilateral organisations.

This guide will clarify what opportunities exist in working with the MDBs and the UN; what Australian businesses should do to take advantage of these opportunities; and how the Australian Government and its agencies can assist business. **Table 1** shows that while procurement contract opportunities among major international organisations exist, Australia's market share is modest.

Table 1: Australia's share of international contracts						
	1997			1998		
	Total Contracts (US\$m)	Australia's share (US\$m)	%	Total Contracts (US\$m)	Australia's share (US\$m)	%
United Nations	309.5	0.1	0.0	247.6	0.1	0.0
World Bank	5,401.0	77.0	1.4	4,679.0	42.0	0.9
Asian Development Bank	5,948.5	64.8	1.1	5,790.8	148.8	2.7
Total	11,659.0	141.9	1.2	10,717.4	190.9	1.8

Source: Asian Development Bank Annual Report 1997, 1998.
World Bank Annual Report 1997, 1998.
United Nations homepage <http://www.un.org/>



Essentially, Government agencies can provide business with information and advice on how to compete successfully for multilateral procurement contracts. The agency with primary responsibility for this is the Australian Trade Commission (Austrade). Austrade has specialist Trade Commissioners and staff in Washington to service projects funded by the World Bank and the United Nations, in Manila for projects funded by the Asian Development Bank, and in several foreign capitals.

Austrade in Australia can assist firms in identifying potential agencies or procurement opportunities depending on the types of goods or services a firm provides, and can assist with introductions to the people who award contracts or offer Invitations to Bid, as well as registration forms for the procurement suppliers. In seeking information or advice in the first instance, companies should call the **Austrade Hotline 13 2878**. While Government agencies such as Austrade are able to assist prospective firms with their representations to decision makers, they cannot act as agents in-country. Businesses should still ensure they have local representation, and continue to make efforts to personally meet MDB and UN personnel, both at headquarters and in the country of procurement.

Other government agencies, including the Department of Foreign Affairs and Trade (DFAT) and the Australian Agency for International Development (AusAID) may be able to assist business with information on procurement opportunities and contacts in international organisations through overseas posts.

1. Multilateral Development Banks

As mentioned already, the MDBs are international financial institutions established to help developing countries promote economic growth and alleviate poverty. There are five MDBs.

1. The World Bank Group, based in Washington DC, which is comprised of:

- International Bank for Reconstruction and Development (IBRD)
- International Development Association (IDA)
- International Finance Corporation (IFC)
- Multilateral Investment Guarantee Agency (MIGA)

In terms of World Bank procurement, the IBRD and IDA are the major sources of money for the purchase of goods and services.

2. The Asian Development Bank (ADB), which is based in Manila, and comprises:

- Ordinary Capital Resources (OCR) - for project loans
- Asian Development Fund (ADF) - for technical assistance (TA)

3. The European Bank for Reconstruction and Development (EBRD), which is based in London, focuses on assisting former Eastern Bloc countries in their transition to market economies.

4. The African Development Bank (AfDB), which is based in

5. Inter-American Development Bank (IDB), which is based

Australia is not a member of the EBRD, AfDB or IDB.

The World Bank Group

The World Bank was established as the International Bank for Reconstruction and Development in 1945 to extend loans to countries in Europe devastated in the second world war. The IBRD today makes loans to the governments of developing countries to alleviate poverty and promote economic and social development.

The IBRD is the World Bank Group's main lending facility, from which long term loans at near market rates are made to DMCs with a per capita GDP of above to support development projects. In FY98 total IBRD loan commitments amounted to USD 28.6 billion.

While the IBRD’s primary source of funds is member governments of developed countries, it does not represent the interests of any single member country over those of any other. Donor countries, the largest being the USA and which includes Australia, and developing countries (the recipients of Bank loans) appoint representatives to the Bank’s Executive Board. The Board’s primary responsibility is to vote on Bank loan proposals and policy changes. Bank staff are also recruited from member countries. There are 180 member countries.

IBRD loan approvals amounted to around USD 15 billion in fiscal year 1997-98 with projects approved by the executive board for IBRD funding

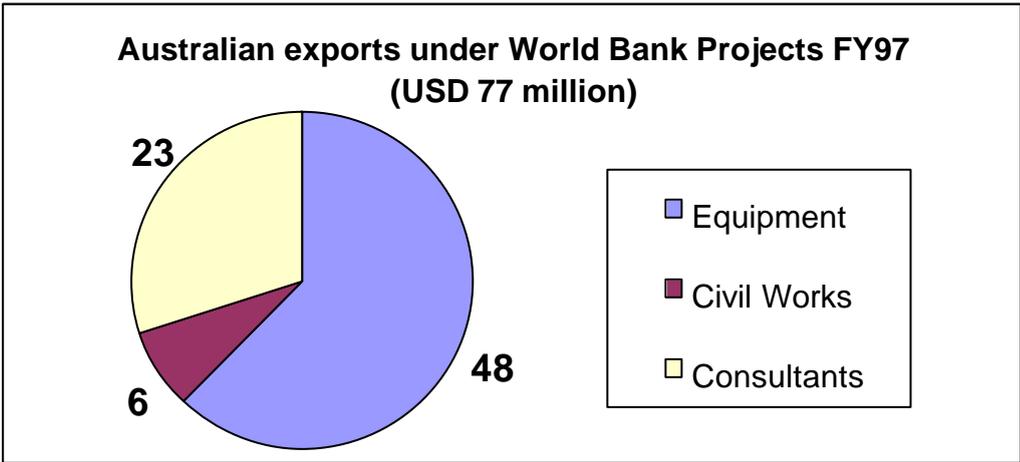
International Development Association (IDA)

The IDA was established in 1960 to make non-commercial, long term, “soft” loans to governments of the poorest DMCs. The Association is funded by grants from the World Bank Group’s donor member countries, of which Australia is one. Around 70 DMCs borrow from the IDA. Approvals under the IDA in 1998 reached USD 7.5 billion.

IBRD and IDA resources cover almost all sectors: agriculture and rural development, power, transportation, water supply and sanitation, and communications, as well as for social sectors, including education, health, governance, and public administration.

Projects range from large scale, capital intensive infrastructure, for example ports, roads or power generation, to smaller scale rural development activities. Opportunities to supply consultancy services, goods and equipment to World Bank supported projects vary accordingly. On average the Bank has around 2000 projects under implementation at any one time.

In FY98 the World Bank committed USD 28.6 billion, a 33 per cent increase on lending for FY97. On an individual country basis, South Korea, China and India were the Bank’s top borrowers. The concentration on East Asia in FY98 reflects the Bank’s increased assistance for structural reforms in these countries in the wake of the East Asian financial crisis.



The Project Cycle

Consultants and suppliers need to understand the Bank's project cycle. It takes the Bank and borrowing DMC on average 27 months to progress a project from identification to loan signing.

The World Bank Monthly Operational Summary, published by the United Nations in Development Business (see 'World Bank procurement information online' for subscription details) contains progress reporting on each Bank project from identification to loan approval.

The World Bank Project Cycle consists of Five stages:

Project Identification - where the Bank, in consultation with the borrowing DMC, identifies projects that meet the development needs of the borrowing country. World Bank Country Assistance Strategies set the framework for project identification.

This stage takes approximately one year

Preparation is the responsibility of the borrower. At this stage feasibility studies are carried out and the recipient government's implementing agency appointed. Consultants are used to supplement the borrowing government's own resources. Consultants and suppliers should start making contacts with recipient government agencies during this stage. This stage takes around one year.

The World Bank task manager prepares the Project Information Document (PID), which includes information on the project's background, scope, objectives, timing and finance.

The PID also includes contact details of relevant officials in the implementing agency.

The World Bank's Public Information Center (PIC) provides general information on projects as well as project-related documents that can be viewed and downloaded from the World Bank Group's WWW Site (<http://www.worldbank.org>). The PIC provides copies of Project Information Documents (PID).

Select "Publications", "then World Bank Info Shop", then "Project Information Documents", and the make selections accordingly.

Project Appraisal is the responsibility of the Bank. The Bank undertakes a comprehensive review of the technical, institutional, economic and financial aspects of the project in advance of implementation and ultimate evaluation of the project. At the end of the Project Appraisal stage, the Bank's assessment of the activity, the Staff Appraisal Report, is released.

At this stage the task manager prepares the Project Appraisal Document (PAD), which outlines the technical, institutional and financial aspects of the project. These documents are not released to the public until loan approval.

Negotiation takes place between borrowers and the Bank. The final agreement takes the form of the loan document. The Project is then presented to the executive board for approval. Once the loan has been approved a loan agreement is signed between the Bank and the recipient government.

After approval by the executive board the borrower will advertise a General Procurement Notice (GPN) in Development Business, which calls for firms to express interest in receiving Invitations to Bid for contracts under the project.

A Specific Procurement Notice (SPN) will be advertised for large contracts.

Implementation commences within a few months of the loan agreement. Borrowing countries are fully responsible for the execution of the activity including the procurement of supplies and equipment. Consultants are used during implementation to provide technical assistance and other project implementation support. Contracts let out at this stage are not advertised.

Consultants are advised to contact the implementing agency of the borrowing country early in the project preparation phase.

Project Supervision and Evaluation. After the project is completed the Bank evaluates the project's outcomes.

The Bank values ongoing involvement in a project. The implementation phase of one project can lead the identification of and preparation for a subsequent project.

Types of Contracts

There are three different types of contracts handled by the World Bank. They differ in their location within the project cycle - either the project preparation or implementation phase- and source of funding.

Short term project preparation contracts (USD 20-50K) During this phase Bank task managers can recruit external consultants to participate in project identification and preparation missions, and assist in feasibility studies, component design, needs analyses or sector studies. Involvement at this stage can put firms in a good position to develop contacts with Bank task managers and recipient government officials in advance of bidding for further Bank financed opportunities.

Longer-term preparation contracts (USD 100-200K ; 500-800K ; 1.2 –1.5 million) These contracts are usually to provide the borrowing government with technical assistance in capacity building or institutional strengthening; social or environmental impact studies; and detailed design work. Higher value long term preparation contracts require engineering design work, for large infrastructure works such as bridges, highways, dams and water facilities.

The Bank or the recipient government's executing agency can let out contracts at the project preparation phase.

It is useful to understand the funding source consultancy contracts at the project preparation phase.

The single greatest funding source for World Bank preparation contracts is the Japanese Policy and Human Resource Development Grant (PHRD). The PHRD is untied with no restrictions on the nationality of the consultants.

Other sources for preparation phase contracts include the Bank's Project Preparation Facility and AusAID's Australian Consultants Trust Fund (ACTF). The ACTF is largely tied to Australian consultants.

Project Implementation Contracts (USD 100k-6 million) Contracts awarded at this stage are for consulting services, equipment and civil works. The nature, timing and procurement details are outlined in the Staff Appraisal Report (SAR) and Project Appraisal Document (PAD), which is produced by the task manager following the project appraisal mission. The SAR and PAD are not released to the public until the executive board has approved the activity.

Project implementation contracts are let out by recipient government implementing agencies

By the time a loan has been approved by the executive board recruitment of consultants and/or procurement of supplies and equipment is usually well in train. Firms are advised to establish and maintain contact with task managers and the recipient government's executing agency in order to track projects from their early stages.

World Bank procurement information on-line

In order to identify World Bank projects being developed around the world in the World Bank's lending program, interested parties should visit Development Business Online at <http://www.devbusiness.com>.

Development Business is a UN publication, published 24 times a year and available by subscription, which posts regular information on World Bank and other development bank projects. The Web site is temporarily (until 3 October) free for non-subscribers to view. Upon arriving at the site, select Log On/In and then use the word "access" as your user name and password.

To subscribe to Development Business, hard copy contact:

Development Business
PO Box 5850
Grand Central Station
New York
NY 10163-5850 USA

Tel. (1-212) 963-1516
Fax. (1-212) 963-1381

The World Bank's Public Information Center (PIC) provides general information on projects as well as project-related documents that can be viewed and downloaded from the World Bank Group's WWW Site (<http://www.worldbank.org>). The PIC provides copies of Project Information Documents (PID), abstracts of Staff Appraisal Reports (SAR) and Project Appraisal Documents (PAD). Select Publications, then World Bank Info Shop, then Project Information Documents, and then make selections accordingly. Please note the following:

PIDs are generally only available for projects that are at least in the preparation stage. Some project listings in Development Business provide a PID number, which indicates that the PID can be found on the World Bank's Web Site.

Keep selection criteria to a minimum, otherwise users may receive a false message informing them that there are no PIDs available. Search for PIDs by country OR sector only.

The Bank's Web site lists PIDs for current and old projects - it provides a picture of the past and present. Only consider those projects listed in Development Business as current projects. If a PID is listed on the World Bank's Web Site and not in Development Business, then this is an old project.

Bank policy on procurement

The borrowing country government in accordance with International Competitive Bidding (ICB) makes procurement decisions. Bank assistance is untied meaning that goods and services may be procured from any member country.

What steps can firms take?

Interested firms need to register with the Bank.

Experience with the Australian Government's overseas aid program, managed by the Australian Agency for International Development, (AusAID), is an advantage.

Profile raising and regular marketing to relevant recipient government implementing agencies.

Bids need to comply with tender specifications. Non-complying bids are eliminated from the evaluation process.

Familiarise themselves with the World Bank's Guidelines for the Use of Consultants and Guidelines for Procurement under IBRD Loans and IDA Credits. These guidelines can be

downloaded from the World Bank Group's World Bank Web Site (<http://www.worldbank.org>), or ordered from the Bank's Public Information Centre.

<http://www.worldbank.org/html/extpb/Publications>

Tel. (1-703) 661-1580

Fax. (1-703) 661-1501

e-mail: books@worldbank.org

Registering with the World Bank

The World Bank's Data on Consulting Firms (DACON) system is a computerised roster of consulting firms interested in doing business on World Bank-funded projects. The DACON database is used by the World Bank's Headquarters in Washington, DC and Resident Missions/Field Offices in developing countries, the Inter-American Development Bank (IDB), the European Bank for Reconstruction and Development (EBRD), the United Nations Development Programme (UNDP), and the International Labour Organisation (ILO).

DACON is used to assess the qualifications of consulting firms and to assist Borrowers in establishing a shortlist of bidders. However, note that registration does not represent endorsement or approval of a consulting firm by the World Bank.

DACON registration is available via two means.

1. Registration diskette containing the DOS version of the DACON registration software. Interested firms can receive the diskette by mail by contacting:

Corinne De Jesus
Procurement Policy and Services Group
The World Bank
1818 H Street, NW
Washington, DC 20433

Tel. (1-202) 458-4095

Fax. (1-202) 522-3317

E-mail: cdejesus@worldbank.org

2. Downloading Windows 95 version (Beta) of the DACON registration software from: <http://www.comweb.net/kbj> (Note: that this is a beta/trial version of the software.)

Registration is free of charge and **not** required of consulting firms bidding on World Bank-funded contracts. To qualify for registration, a consulting firm must have at least six permanent professional staff and have experience on at least eleven assignments exceeding US\$ 100,000 or 10% of their annual fee, whichever is the lowest.

Non-confidential information about registered firms is available in the [DACON Directory 1998: Data on Consultants on CD-ROM](#). The Directory contains information (including address, contact person, company description, and sector and projects of interest) on approximately 2,500 firms that have bid on projects valued at USD 200,000 or more.

Registered firms are required to keep their information up-to-date by providing the DACON centre with information on new assignments. Firms with inactive registration will be removed from the DACON system.

The DACON CD-ROM Directory can be used by consulting firms to identify potential partners or other firms with which to associate when pursuing business opportunities in World Bank-funded projects. The DACON CD-ROM Directory can be purchased for a fee (US\$100) from:

1. D.A. Information Services, the Australian Distributor of World Bank publications at:

648 Whitehorse Road
Mitcham 3132
Victoria, Australia
Tel. (61-3) 9210-7777
Fax. (61-3) 9210-7788
E-mail: service@dadirect.com.au
Internet: <http://www.dadirect.com.au>

2. World Bank's InfoShop at:

Internet: <http://www.worldbank.org/html/extpb/Publications.html>
Tel. (1-703) 661-1580
Fax. (1-703) 661-1501
e-mail: books@worldbank.org

Registration of Individual Consultants

1. By the Borrower (project-related assignments):

A formal registration system does **not** exist for individual consultants interested in working on Bank-funded projects. The *informal system* that exists requires that individual consultants identify the specific World Bank project managers for the projects of interest to them and then contact these officials directly with information (curriculum vitae). It is also important that individual consultants do the same with the Project Manager/Contact Person in the Borrower's Implementing Agency. Accessing "the network" of World Bank and Implementing Agency project managers is critical to the success of individual consultants. Establishing and maintaining relationships with these key officials is essential.

2. By the Bank (Bank's internal staffing):

The Bank hires short and long-term individual consultants for its internal purposes through the Recruitment Unit of the Bank's Human Resource Service Center. Individual consultants can register by mailing their curriculum vitae to the following address:

Recruitment Unit
Human Resource Service Center
The World Bank
1818 H Street, NW
Washington, DC 20433
USA

Austrade's Role

Austrade representatives in Washington can locate and track Bank procurement opportunities as far as the loan approval stage. Austrade in recipient countries can represent Australian firms to executing agencies—the users of World Bank finance. Interested firms may consider signing a

service agreement with the Austrade to engage Austrade's market intelligence and existing networks with the Bank and governments in recipient countries.

- ❖ Austrade Washington can provide the following services:
- ❖ Monitoring and reporting on potential project business opportunities related to World Bank projects in developing member countries.
- ❖ Identification of/liaising with appropriate Bank task managers.
- ❖ Accessing copies of Bank documents relating to specific project opportunities.
- ❖ Arranging appointments for visiting Australian firms with appropriate Bank staff as requested.
- ❖ Ongoing representation and support for Australian firms looking to tender for Bank projects

The World Bank is based in Washington and has 180 member countries. The World Bank has one overarching goal: to help its borrowers reduce poverty and improve living standards through sustainable growth and investment in people. The Bank is divided into four institutions: the International Bank for Reconstruction and Development (IBRD); the International Development Agency (IDA); the International Finance Corporation (IFC); and the Multilateral Investment Guarantee Agency (MIGA). Only the first two institutions are heavily involved in providing assistance for growth and development projects that call for procurement, and as such, when referring to the 'World Bank', this guide refers only to these institutions.

The World Bank is a lending agency that annually commits more than \$25 billion for over 200 new projects in developing countries. These projects cover a wide spectrum - agriculture, energy, environment, transportation, industry, mining, telecommunications, water supply and sanitation, urban development, vocational training and education, health services, population planning and private sector development.

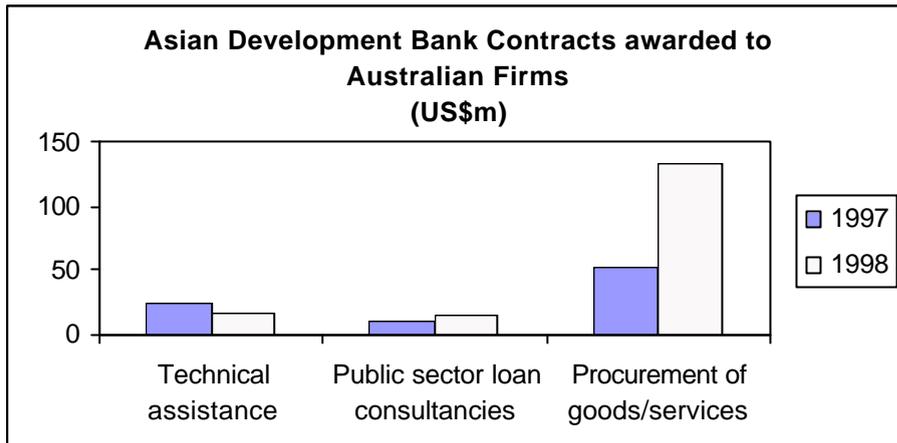
The average annual lending commitments from IBRD and IDA of \$20 billion to \$25 billion generate upward of \$50 billion a year in total project investments worldwide. Recipient countries use these funds to purchase goods and equipment, civil works, and obtain consultant services needed for projects. Each project can involve many separate contracts and business opportunities for suppliers, contractors and consultants worldwide. Over 30,000 contracts are awarded each year to private firms of which 70% are for goods, 20% for civil works and 10% for consulting services.

The borrower, which is the government of the recipient state, is responsible for procurement, not the World Bank. The World Bank provides financing for the contract, but the contract itself is between the borrower and the contractor or supplier (except for some small consulting contracts). The World Bank's role is to ensure that the agreed procurement procedures are observed, and that the entire process is conducted with efficiency, fairness, transparency and impartiality. Governments borrowing World Bank funds will appoint an Executing Agency, usually a government department, to award and supervise the contract.

In 1998, 55% of World Bank lending was in South and East Asia, where Australia has a geographic advantage in obtaining contracts, with Australian business already well established in this region.

Fiscal Year	Civil Works	Consulting	Equipment	Total contracts	Australia's share (%)
1996	11	19	79	112	1.18
1997	6	23	48	97	1.43
1998	2	22	16	42	0.91

Source: World Bank Annual Reports, 1996, 1997 and 1998.
*Includes adjustment lending by the Bank..



Types of Business Opportunities

There are three types of business opportunities for procurement:

Goods: vehicles, machinery, tractors, farm implements, fertiliser, transport equipment, electrical machinery and plants, industrial facilities, mining equipment, hardware, telecommunication systems, satellite communication systems, school textbooks, furniture, spare parts and raw materials.

Civil works: construction of ports, highways, schools, hospitals, housing, railways, bridges, irrigation works, water supply and sewerage facilities and power plants.

Services: design and feasibility studies, supervision of installation and construction, environmental assessment studies, monitoring of management activities, aerial photography and mapping, oil and gas exploration, financial services and auditing assistance.

Sector	FY98	%	FY99	%
Finance	5,824	20	6,645	23
Education	3,110	11	2,014	7
Agriculture	3,052	11	2,528	9
Transportation	2,989	10	3,022	10
Social protection ⁷	2,530	9	3,595	12
Population, health and nutrition	2,181	8	1,726	6
Electric power and energy	1,900	7	591	2
Public sector management	1,336	5	1,083	4
Urban development	1,313	5	605	2
Multisector	1,296	5	4,293	15
Mining	1,216	4	346	1
Environment	1,083	4	978	3
Water supply and sanitation	476	2	645	2
Oil and gas	140	0	18	0
Telecommunications	75	0	228	1
Industry	73	0	677	2
Total	28,594	100	28,994	100

Source: World Bank Annual Report 1999.

Types of Contracts

There are three types of contracts arising out of World Bank loans to developing countries.

- **Short Term Project Preparation Contracts**

During the preparation phase of a project, World Bank Task Managers often recruit external experts to join project preparation missions and assist with feasibility studies or component design. A Task Manager is usually based at the World Bank headquarters in Washington, and can award short-term procurement contracts. Candidates are often identified through the Task Manager's own network of contacts, but the Task Manager will contact Austrade Washington to obtain a list of firms or consultants, particularly if AusAID is funding the assignment. Although there is a low margin for this type of work, it can assist with industry contacts, give access for future contracts and provide a reputation for future project work.

- **Longer Term Project Preparation Contracts**

This type of contract usually involves providing the Borrower with technical assistance, environmental or social impact analyses and/or detailed design work. The larger of these contracts usually require engineering design work for major infrastructure investments.

- **Project Implementation Contracts**

There are several types of these contracts awarded for consulting services, equipment and civil works. The nature, timing and procurement methods of these contracts are outlined in the Staff Appraisal Report (SAR) or the Project Appraisal Document (PAD) which is released when the Bank has approved the project. However, it is important for firms to establish contact with the Executing Agency at an early stage, prior to release, as the Borrower's recruitment process is usually well under way by approval time. Public notification of projects also occurs through the Borrower's advertisement of the General Procurement Notice (GPN), advertised in *Development Business*, published bi-weekly by the United Nations (see UN section for details of *Development Business*), and in the national newspaper of the country concerned.

Consultancies

Bank-assisted projects frequently require a wide range of consulting services, from engineering and architecture to economic, environment, education, health, finance, management and privatisation. The procedures for selecting consultants differ from those for procuring goods and services. The major emphasis is on quality, technically responsible performance, and good results rather than cost. The Bank considers that this can best be addressed through competition among qualified short-listed firms in which the selection is based both on the quality of the proposal and on the cost of the services to be provided.

Information on consultancy services, including a brief description of the nature of services, timing and estimated cost will be included in the Project Information Document (PID), which describes projects under preparation. Simultaneously, similar information will be included in the description of each project in the *Monthly Operational Summary* (MOS) and published in *Development Business*, and such information is continuously updated. Close monitoring of project preparation is necessary to keep abreast of project developments. Careful attention to the early stages of the cycle is vital because the time between publishing the notice of study and short listing consultants is often limited. Contact with the World Bank and the Executing Agency project staff is critical to ensure the consultant's capabilities, experience and particular interests in given work assignments are well known before short listing. Austrade can assist Australian business with this information.

As with procurement of goods and services, the consultant selection process is entirely the borrower's responsibility.

The World Bank maintains a computerised database of firms interested in working on Bank-assisted projects to assess qualifications of consulting firms proposed by borrowers and to assist borrowers in preparing short lists. Registration with the Data on Consulting Firms (DACON) system is free of charge and not compulsory for being short-listed. Registration with DACON does not constitute the Bank's endorsement of the firm's qualifications or the Bank's approval of the firm's candidacy for any specific assignment. The information contained in DACON is purely descriptive and not evaluated by the Bank.

Australia has established a Consultant's Trust Fund at the World Bank to assist in engaging Australian consultants for short-term assignments in project preparation and evaluation. The aim of the Fund is primarily to facilitate cooperation between Australian firms and the World Bank. The Bank uses the funds to pay the fees, travel and subsistence expenses of Australian consultants for short-term assignments in support of the Bank's lending operations. Approach Austrade Washington for further information.

In November 1998 Austrade, the World Bank Group and the Committee for Melbourne signed a Memorandum of Understanding designed to encourage corporate involvement by Australian companies in World Bank business.

The Committee for Melbourne is a private, non-profit network of leaders drawn from Melbourne's business, science and academic communities. It acts as a first-point of contact for international businesses and organisations to create business opportunities and links with Melbourne.

Website address: <http://www.lmelbourne.org.au/> and <http://thinking.melbourne.org.au/>

Contact: Ms Janine Kirk
Executive Director

Address: 1 Collins Street
Melbourne VIC 3000
AUSTRALIA

Telephone: 03 9650 8800
Fax: 03 9650 6066
Email: cfm@melbourne.org.au

Global Environment Facility

The Global Environment Facility (GEF) is a financial mechanism that provides funding to developing countries for projects and activities that aim to combat climate change, conserve biological diversity, protect international waters and reduce depletion of the ozone layer. US\$2.75 billion are available for GEF projects during the period 1998-2002. Australia has committed approximately A\$116 million to the GEF since 1991.

The World Bank is responsible for implementing environmental investment projects funded by the GEF. The United Nations Development Program (UNDP) is responsible for implementing GEF technical assistance and capacity building activities.

Information on GEF projects can be obtained in the same manner as for World Bank and UN projects.

Case study: Smec International Pty Ltd: Highways in India and China

SMEC has been involved in providing engineering consultancy services for highway projects in the Asia-Pacific region for nearly 30 years. Most of these projects have been funded by multilateral agencies such as the World Bank and the Asian Development Bank. SMEC's services include pre-feasibility and feasibility analysis, design and construction supervision.

In the late 1980s SMEC became aware that the World Bank had reached agreement with the Governments of India and China to assist them to expand their land transport networks from a primarily rail base to a combination of rail and road. To this end, the Bank was planning extensive funding programs for highway rehabilitation, upgrading and construction in India. The use of international consultants in such projects was part of the loan conditions.

SMEC responded to this opportunity by developing contact with the proposed Executing Agencies in India and China as well as the local World Bank offices. This development phase required considerable time and effort. SMEC's initial market development activity was in 1988, although its first project, the World Bank-funded State Highway Project in Rajasthan, only commenced in 1993.

SMEC has continued to maintain contact with the Banks and with officials in India. In 1993 SMEC also opened a branch office in New Delhi which is actively marketing its skills in India and supporting continuing projects. SMEC has been involved with feasibility studies and implementation, highway design, contract supervision and management project coordination and management.

SMEC followed similar strategies in China, where it began working in 1982, when it was the principal consultant to the Lubuge hydro-electric power project in Yunnan, the first project funded by the World Bank in China. When the Bank agreed in the late 1980s to support the National Trunk Highway System linking all the major Chinese cities, SMEC began to focus on the highways sector. SMEC invested considerable time and effort in establishing its credentials with Chinese authorities, and since the early 1990s the company has been construction supervisor for a series of major expressway projects in half a dozen different provinces.

SMEC's success in the highways sector in India and China can be ascribed to a number of critical factors:

- . good knowledge of both Bank and local requirements and procedures which are fairly uniform across markets;
- . development of relationships with clients and potential clients to ascertain their needs, priorities and expectations;
- . maintenance of contact with the local World Bank offices which in recent years have become the driving force in program development; and
- . the provision of high quality services with comprehensive and timely financial and technical reporting.

Despite its longstanding involvement with international development SMEC still plays both a contractor and sub-contractor role, working with a wider range of associates including Australian, international and local firms. SMEC also has recruited and nurtured highly effective local staff to develop the business overseas with support from Australia.

Tips on Wining Contracts

Following are some tips to assist companies with tendering for projects funded by the World Bank. (<http://www.worldbank.org/html/opr/busop/26.html>)

- Determine from the borrowers or their implementing agencies whether the goods and services your company offers are needed in projects financed by the World Bank. The Bank approves more than 200 new projects each year, which involve an estimated 30,000 individual contracts, providing many opportunities for a wide range of companies.
- Contact the borrowers and/or project beneficiaries as early as possible, and follow a project through each stage of the project cycle. Keep informed of developments.
- Decide where your firm has the best chances of winning. Choose from among the hundreds of projects and countries and focus your efforts on those where your firm is likely to have a comparative advantage over competitors due to past experience, language, trading partners, or other factors.
- Learn as much as possible about the implementing agencies responsible for each project. Provide them with appropriate information about your company, product, or service.
- If possible, either travel to the country and make direct contact with relevant agency
- If possible be present or represented at the public bid opening, where each bid price is read aloud, to learn about the competition.
- If you did not win, analyse the reasons, learn from your experience, and modify your approach accordingly for your next bid.

The Asian Development Bank (ADB)

The Asian Development Bank (ADB) is an international organisation that was established in 1966. The purpose of the Bank is to foster economic growth and cooperation in Asia and the Pacific and to contribute to the economic development of the Bank's developing country member in the region collectively and individually. The head office of ADB is located in Manila, the Philippines. The ADB is made up of 57 member countries - 41 from the Asia Pacific region and 16 non-regional countries. Australia is a member. The Bank's primary activity is making loans to finance projects or programs in the territories of its developing country members.

There is a wide range of opportunities for Australian companies to win business with the ADB. The Bank approves around US\$6 billion annually for ordinary loan projects and Technical Assistance consultancies. ADB projects cover a similar range of sectors as those of the World Bank.

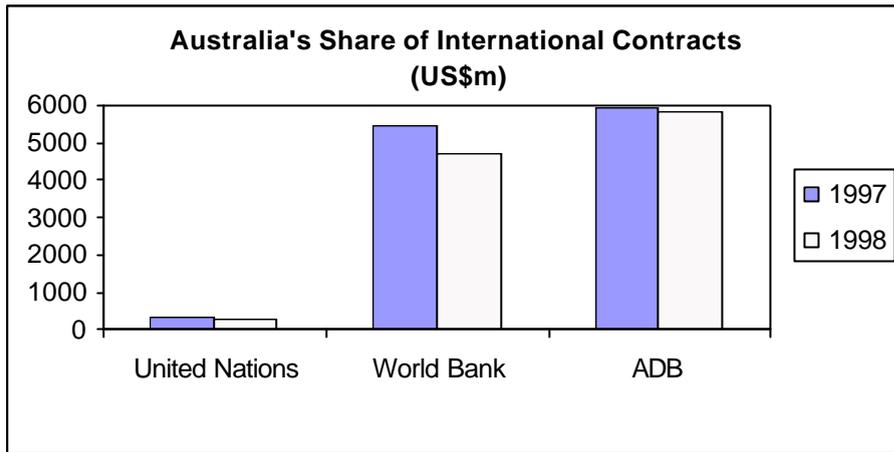
For the purpose of multilateral procurement, it is important to understand that the ADB has:

- a) public sector lending, which includes projects requiring the procurement of goods and services, including civil works, and loan consultancy work; and
- b) Technical Assistance projects, which require consultancy services for specific studies in the Bank's developing member countries and which are usually financed on a grant basis.

As with the World Bank, ADB public sector projects are coordinated by an Executing Agency as selected by the borrowing government. Austrade can assist businesses by providing details on Executing Agencies for specific projects. With Technical Assistance projects, consultants are selected and recruited directly by the ADB, not Executing Agencies.

Asian Development Bank Contracts awarded to Australian firms, 1997, 1998						
	1997			1998		
	US\$ million	%	Rank	US\$ million	%	Rank
Technical Assistance contracts	24	17	2	17	12	2
Public sector loan consultancies	12	6	5	15	9	5
Procurement of goods / services	53	1	19	134	2	11
Total	89	2	na	166	3	na

Source: Asian Development Bank Annual Report 1998



In 1998, Australian companies were successful in winning US\$32m of project consultancy business (both Public Sector and Technical Assistance) down from US\$36m in previous year. However, procurement of goods and services was up from US\$89m to US\$166m, an increase of 87 per cent.

Contracts with Executing Agencies

For loan projects, marketing should be directed primarily to the Executing Agency, who will call for prequalification and for bids, although the ADB supplies the lists of firms to which Invitations to Bid should be sent and must approve the successful bid. When chasing loan consultancy work, it is a good strategy to also maintain contact (for example, by sending copies of Expressions of Interest) with the ADB Project Officer who developed the project and who will have a continued interest in it, may be consulted by the Executing Agency in the course of the procurement process and will have involvement in the oversight of this process. As with the World Bank, the earlier a firm establishes relations with the Agency, the better its chances of success.

Case Study – Australian success with Asian Development Bank

Australian companies and tertiary and other educational institutions have been successful in winning consultancies and other project work with the Asian Development Bank (ADB). Recent examples of Australian success include lead roles or shares in projects or consultancies in China (water supply contract valued at \$840,000), Indonesia (rural income generation, \$1.2 million, capacity building, \$750,000), Sri Lanka (institutional strengthening of the Ministry of Provincial Councils and Local Government, \$700,000) and a regional project on poverty reduction and environmental management (\$1.3 million).

Australian companies and institutions have an excellent reputation within the ADB and this is reflected in regular Australian success in winning ADB contracts. The tertiary sector, in particular, is very competitive not least in the quality of its consultancy work and this expertise is also recognised within the ADB.

First time tenderers for ADB business should not underestimate the benefits of sub-contracting to larger firms or participating in consortia when bidding for ADB contracts.

Successful tenderers have found that careful preparation and attention to detail has paid dividends. While Australia's reputation has helped, knowledge of the ADB's operations and key personnel has also made a significant contribution to their success. Austrade, through its Australian operations and particularly through its office in Manila can offer significant assistance to interested Australian companies and institutions. Indeed, representatives of the institution referred to above which won the Indonesian consultancy on capacity building participated in an Austrade seminar on winning business with the ADB held in Manila in 1999 and subsequently noted that the information learned at the seminar had proved invaluable in securing the project.

Member	Goods, services and civil works	Consulting services	Total contracts awarded	% Share
Indonesia	771.8	6.2	778.0	13
United States	622.5	21.3	644.0	11
China	495.1	0	495.1	9
Japan	480.1	4.8	484.9	8
India	394.4	0.2	394.6	7
Thailand	233.8	1.5	235.3	4
Pakistan	170.7	3.5	174.1	3
Germany	164.7	6.4	171.1	3
Bangladesh	155.3	9.1	124.4	2
Australia	134.2	14.5	148.8	3
Vietnam	119.7	0.4	120.1	2
Singapore	117.5	0.7	118.2	2
Malaysia	115.2	0	155.2	3
Korea	111.6	0	111.6	2
United Kingdom	84.3	8.3	92.6	2
France	80.8	15.4	96.2	2
Italy	62.7	5.0	67.7	1
Regional	813.2	0	813.2	14
Other	507.3	58.2	566.1	10
TOTAL	5,634.8	156.0	5,790.8	100

(a) Represents the country of origin where the goods are mined, produced, grown or manufactured, based on US dollar value equivalent of contract.

Source: Asian Development Bank Annual Report 1998.

The ADB publishes a range of handbooks on the procurement of consultancy services, civil works, goods and related services and these may be obtained from the ADB's Information Office in Manila. Once a supplier determines that its product or service is likely to be competitive and compatible with a project financed by the ADB, it can take advantage of lead times to explore the market, make the product known to the Executing Agency and arrange for local representation, where necessary.

All persons, consulting firms, and other organisations which offer consulting services, may ask the Consulting Services Division of the ADB to register details of their capabilities and experience in the Bank's information files: Data on Consulting Firms (DACON) files for firms/organisations; and Data on Individual Consultants (DICON) files for individuals. Registration in the DACON and DICON systems is based on information provided to the bank by each consultant. The Bank is not obliged to register consultants who do not meet the Bank's qualification requirements. For more information on how to register consult the ADB website at <http://www.adb.org/Business/Consulting/>

Austrade is able to assist firms with access to current information and registration forms. As well as the Austrade hotline **13 2768**, you can access the Internet for details, <http://www.austrade.gov.au/>

In addition to these sources of information, companies and organisations need to be aware that the market is very competitive and that competitors will be visiting the ADB and

Executing Agencies and utilising local agents to obtain advance information about projects under development. Austrade can develop visit programs to the ADB through its office in Manila, and to Executing Agencies through the Austrade office responsible for the country concerned, for a standard fee.

Technical Assistance Grants

The ADB is authorised to meet requests from member countries for technical assistance in such fields as the preparation and evaluation of specific development projects, the preparation and execution of development plans, and the creation and strengthening of institutions serving agriculture, industry and public administration. Recipients of technical assistance may be governments or any of the other entities authorised to receive Bank loans. The Bank extends technical assistance as grants or loans.

Consultants may be engaged by the ADB at any stage of the project cycle for impact or feasibility studies, engineering design and general technical assistance. The main concern in selection is not the cost but the quality of performance and the meeting of deadlines. Therefore, contact with the ADB is critical to be short-listed in order that the decision-makers are aware of a consultant's capabilities, experience and interest in particular projects.

Member	1996		1997		1998	
	Value	%	Value	%	Value	%
UK	26.1	20	15.3	11	15.5	11
USA	24.4	19	31.4	22	33.4	25
Canada	15.7	12	19.0	14	9.8	7
Australia	14.9	11	24.0	17	16.7	12
Philippines	8.3	6	5.1	4	8.6	6
New Zealand	7.9	6	4.7	3	9.0	7
Netherlands	4.7	4	4.7	3	8.6	6
India	1.4	1	4.1	3	3.3	2
Hong Kong	1.3	1	3.7	3	3.4	3
Germany	2.0	2	3.5	2	2.6	2
Singapore	1.3	1	2.9	2	0.6	0
Other	21.9	17	21.6	15	24.1	20
TOTAL	129.9	100	140.0	100	135.6	100

(a) Country of origin is the country of business registration of the consulting firm/organisation or the country of citizenship of an individual consultant.

Source: Asian Development Bank Annual Report 1998

Government services

In helping Australian companies and organisations to win ADB projects, the Manila office of **Austrade** provides the following services:

- monitoring and reporting on potential project business opportunities related to ADB projects in its developing member countries;
- identifying of and liaising with appropriate ADB executives to investigate and collect further information on specific ADB projects nominated by Australian companies;

- securing copies of ADB documents relevant to specific project opportunities and forwarding them to Australia;
- arranging appointments for visiting Australian company and organisation representatives with appropriate ADB executives as requested;
- providing technical advice to Australian companies on processes, procedures and strategies to improve the prospects of their winning ADB project business;
- on-going representation and support of Australian companies at the ADB.

Austrade representatives can provide similar services in the countries of the Executing Agencies. Austrade may apply a standard fee for these services.

The European Bank for Reconstruction and Development

The European Bank for Reconstruction and Development (EBRD) was established in 1991 and is based in London. It exists to foster the transition towards open market-oriented economies and to promote private and entrepreneurial initiatives in the countries of Central and Eastern Europe and the Commonwealth of Independent States (CIS) committed to and applying the principles of multi-party democracy, pluralism and open market economies.

The ADB achieves its objectives through the provision of loans, equity investments, guarantees, advice and technical cooperation.

In 1998, the EBRD loaned approximately \$US2.7 billion for 143 projects with a total project value of \$US11.1 billion. Australian companies did not secure any public sector contracts in this year, although they did secure private sector contracts, and won a significant public sector contract under International Competitive Bidding procedures in 1995-96.

Australia is a member of the EBRD, although no contributions are made to the Bank's Technical Cooperation Fund, and consequently, Australian firms are not eligible to bid for the majority of contracts for consultancy arising out of grants from this Fund. However, Australian firms are eligible to bid on consultancies financed by the Technical Cooperation Fund's untied Japanese Grants. These grants account for approximately 20% of the Technical Cooperation Fund. Australian firms are also eligible for public sector procurement contracts. Contact Austrade for further information.

Sector	1997		1998	
	ECU Million	%	ECU Million	%
Finance and business	591	26	933	39
Manufacturing	640	28	351	15
Energy and power generation	497	22	245	10
Transport, storage	214	9	223	9
Telecommunications	144	6	194	8
Extractive industries	27	1	185	8
Commerce and tourism	99	4	111	5
Agriculture, forestry and fishing	49	2	36	2
Community and social services	29	1	96	4
Other	26	1	0	0
TOTAL	2315	100	2374	100

Source: EBRD Annual Report 1998.

Other Multilateral Development Banks (MDBs)

Other MDBs include the Inter-American Development Bank, the African Development Bank and Fund (Australian firms can bid for contracts under the Fund only), the North American Development Bank and the Caribbean Development Bank. Opportunities for Australian business with these agencies are very limited.

The Japan Bank for International Cooperation (JBIC)

The Japan Bank for International Cooperation (JBIC) was established on October 1, 1999 through the merger of the Export-Import Bank of Japan (JEXIM) and the Overseas Economic Cooperation Fund, Japan (OECF). Under JBIC, Japan's overseas economic cooperation activities, formerly carried out by the OECF, continue unchanged.

Official Development Assistance (ODA)

The Japanese Government is one of the largest providers of financial assistance to developing countries.

The JBIC's overseas economic cooperation operations help support the sustainable development of economies and societies of developing countries through ODA loans and private-sector investment finance.

ODA loans are provided to developing countries as development funds with concessional conditions such as a low interest rates and long repayment periods. Preference is given to the establishment of economic and social infrastructure that is essential for economic development in developing countries.

Types of ODA Loans

Of the ODA loans provided to developing countries, 80% goes to Asia with the remainder to Africa, Latin America, and the Middle East. In recent years, assistance to Eastern Europe and Central Asia has been increasing and the number of ODA loan recipient countries had risen to 93 by the end of June 1998.

ODA loans are targeted mainly to socio-economic infrastructure such as power, gas, transportation, telecommunications and agriculture.

Project loans, which are predominant among ODA loans, finance projects such as roads, power plants, irrigation, water supply and sewerage facilities. The loans are used for the procurement of facilities, equipment and services and for conducting civil and other related works. Engineering Services Loans are necessary at survey and planning stages of the projects.

Financial intermediary loans are implemented through the financial institutions of the recipient country based on the policy-oriented financial system of that country. These loans provide funds necessary for the implementation of designated policies, such as the promotion of small-and medium scale enterprises in manufacturing, agriculture, and other specified industries and the construction of facilities to improve the living standards of the poor.

Procurement conditions

Procurement of goods and services are necessary for project implementation. Under an ODA loan, the principal condition is "general untied", under which procurement can be made from any country in the world. In practice, international competitive bidding (ICB) is used to enable the purchase of high quality but competitively priced goods and services from the world.

Handbook for procurement under JBIC ODA Loans

The JBIC has published the captioned HANDBOOK, which gives explanations to the Guidelines for Procurement under JBIC ODA Loans and Guidelines for the Employment of Consultants. Copies of the handbook can be obtained from:

Procurement Policy and Supervision Division,
Project Development Department
1-4-1, Otemachi, Chiyoda-ku,
TOKYO, 100-8144 JAPAN
Tel: 81-3-5218-9709
Fax: 81-3-5218-9845
Email: pdps@jbic.go.jp

1. The stages of project development for Multilateral Development Banks (MDBs)

To take advantage of commercial opportunities, it is important to be aware of the various stages of the project. The project cycle described below is based on a World Bank project, but all MDB projects follow a similar pattern.

Stage One: Project Identification

Projects emanate from ongoing dialogue between borrowers and the Bank, and the borrowing country approaches the Bank with a request.

The World Bank's Board of Directors approves the World Bank Monthly Operation Summary (MOS), as published by the United Nations in *Development Business*. The Operation Summary contains information on each Bank project from the time that it is identified until the loan is approved.

Stage Two: Project Preparation

The borrowing country considers technical and institutional alternatives, and hires consultants to undertake feasibility studies, design projects and draw up procurement specifications.

The Executing Agency responsible for implementing the project is selected.

The World Bank Task Manager prepares the Project Information Document (PID) which includes general information on the project's background, scope, objectives, timing, financial structure, Executing Agency contacts and procurement. The PID is the only document available to the public prior to the loan approval specific to the project.

The PIDs can be downloaded from the World Bank's web site <http://www.worldbank.org>

Stage Three: Project Appraisal

The Task Manager visits the borrowing country to discuss the project with the Executing Agency.

The Task Manager prepares the Staff Appraisal Report (SAR) and Project Appraisal Document (PAD), which outlines the technical, institutional, economic and financial aspects of the project, including its consulting, contracting and supply requirements. This is not released to the public, however, until the loan is approved. Once released, it is also available on the World Bank web site.

At this stage bidding documents will normally be prepared. In certain circumstances, to hasten a project's future implementation, procurement may already start.

Stage Four: Project Negotiations and Board Approval

The Bank and the borrowing country begin loan negotiations and outline the project schedule, leading to an approval by the Board and a signed agreement between the two parties.

After the Board has approved the loan, the borrower will advertise the General Procurement Notice (GPN) which calls for firms to express interest to the Executing Agency in order to receive Invitations to Bid for contracts under the project.

A Specific Procurement Notice (SPN) will be advertised for large contracts including those that call for interested firms to prequalify to bid for specific contracts under the project.

Stage Five: Signing of the Loan and Project Implementation

For any contract to be eligible for financing from a World Bank loan, the procurement must be completed in accordance with the procedures set out in the loan agreement, which incorporates those in the Bank's *Guidelines: Procurement under IBRD Loans and IDA Credits* publication.

Stage Six: Project Supervision and Evaluation on Completion

When the project is completed, the Bank evaluates the project results, which can take up to six months.

It is important to note that the Bank favours long term involvement in a given sector, and often supports follow-on projects to bring about structural and policy changes. Therefore, the implementation phase of one project often includes identification of and preparation for the next project.

By following where each project is in the cycle and understanding what takes place during each stage, consultants, civil works contractors and suppliers can identify business opportunities and develop marketing plans. Consultancy services are procured at almost any stage in the project cycle, but the need occurs more often in the preparation and implementation stages.

Contractors, suppliers and consultants should contact borrowing countries during the project identification stage to express an interest in supplying goods, works or services for a specific project. They should obtain as much information as possible on what goods and services will be needed and when, and how to submit bids and proposals.

International Competitive Bidding (ICB)

The MDBs have decided that their objectives in the procurement of goods, plant or civil works can best be achieved through an international competitive bidding (ICB) process with a margin of preference given to domestic goods, plants and domestic contracting services in developing countries.

For each project involving ICB, a General Procurement Notice for goods and works will appear in *Development Business*. The notice gives general information on the nature of the procurement to be carried out. Invitations to Bid for specific contracts will also be advertised in at least one major local newspaper.

All Bank-assisted ICB contracts must be awarded to the lowest evaluated responsive bid, based on the evaluation criteria set out in the bid documents. The lowest evaluated bid may

not necessarily be the lowest price bid. Other factors may also be taken into account, such as quality, durability and availability of after-sales service and spare parts, training and operating costs.

Where ICB is not the most economical and efficient method of procurement (due to small purchase orders, the urgency of the situation, or the scarcity of suppliers), other methods of procurement are used, such as:

- limited international bidding (LIB), in which suppliers participate by invitation rather than in response to an advertisement;
- national competitive bidding, where the type of work is such that it is unlikely to attract foreign interest. Such procedures are broadly consistent with ICB procedures, with exceptions in advertising, language and currency requirements;
- international and local shopping for purchasing lower value off-the-shelf items;
- direct purchase, normally on a negotiated basis, when proprietary equipment can be obtained from only one supplier.

Bids will be opened and read aloud in the presence of the bidders or their representative who wish to attend. Other than clarifying the purchasers' questions, there may be no discussions or negotiations. All bids are final after the public opening.

Government Assistance to firms

Once firms have done their market research, they should learn more about the project to become a successful supplier to the Executing Agency. This can be done in the following ways:

- Austrade offers a project qualification service that enables firms to make strategic commercial decisions about whether an opportunity is worth pursuing. Usually this will be based on visits by Austrade to the relevant Bank and Executing Agency on a firm's behalf to seek answers to its specific questions.
- Firms should visit the relevant Bank and Executing Agencies to pursue current opportunities, learn about future prospects and develop a network. They should familiarise themselves with the market, determine product compatibility, past supply patterns, competitive environment and possible link ups. Austrade can identify the people that need to be contacted and arrange all appointments.
- Austrade is well positioned to offer tailored services such as identifying decision makers and criteria, directly promoting a company's capabilities or products to key staff at the Bank or Executing Agency, identifying suitable local partners and tracking projects.
- Additional published information is available through the *Monthly Operational Summary* (MOS) for the World Bank and *Procurement Opportunities* for the EBRD.

4. Opportunities in the United Nations and its Agencies

Exporting to the United Nations

The United Nations was established in 1945 by 51 countries committed to preserving peace through international cooperation and collective security. Today, nearly every nation in the world belongs to the UN, 185 countries in all. The UN system is a vast market for a wide range of goods and services. Total procurement by the United Nations and its agencies in 1998 was around US\$3 billion, across a wide range of goods and services. There are more than twenty UN agencies, the majority of which are located in New York, Geneva, Vienna, Rome, Nairobi, Copenhagen, Kuala Lumpur and Switzerland. Each of them has different procurement requirements and procedures. The procurement process in the United Nations is a decentralised one, with no single procurement manual and no single public advertising system, although the Internet provides a good source of up-to-date information. This means, however, that selling to the UN is not easy and often requires a long-term outlook. It is important to build up direct relationships with UN buyers and to register with the relevant agencies. The bidding process is no guarantee of success, as UN agencies often prefer well-established suppliers.

There are three core areas of United Nations activity: a) peacekeeping b) humanitarian assistance and c) development assistance.

Peacekeeping

Peacekeeping was pioneered and developed by the UN as one of the means for maintaining international peace and security. While 13 operations were established in the first 40 years of UN peacekeeping, 36 new operations have been launched since 1988. At its peak in 1993, the total deployment of UN military and civilian personnel reached more than 80,000 from 77 countries.

The UN's estimated peacekeeping budget for the twelve months ended was around \$1 billion. This has declined from about \$3 billion in 1995, which reflected the expense of UN peacekeeping in the former Yugoslavia.

The UN is one of the world's biggest buyers of various goods and services for the needs of its peacekeeping operations, technical assistance projects and humanitarian relief operations. The UN Office in Geneva (UNOG) plays a significant role in this work.

Goods and services procured by the UN include: emergency relief equipment, vehicles, industrial materials and finished products, office furniture, machines and supplies, information technology hardware and software, communications equipment, management consulting and professional services contract, printing and photocopying equipment and supplies, leases and contracting services for major maintenance at all buildings of the United Nations at Geneva, air and sea charters, official travel, shipping, packing and freight forwarding services. Suppliers of these services should contact the Chief, Purchase and Transportation Section to request a Company Profile Form which should be completed and returned to PTS by regular mail and a covering letter bearing the company's letter head.

Contact: Chief, Purchase and Transportation Section
United Nations Office at Geneva
1211 Geneva 10, Switzerland
Tel: + 41 (22) 917 2840
Fax: +41 (22) 917 0013
Email: procurement@unog.ch

The United Nations Procurement Division (UNPD) is primarily responsible for peacekeeping procurement activities.

UN Peacekeeping and Field Missions purchase:

- . logistical services
- . freight services
- . food rations
- . portable communications equipment
- . generators
- . heavy vehicles
- . air charter services
- . information technology
- . mine-clearing services

Humanitarian Assistance

There was a large increase in the number and scale of natural disasters in 1999. New armed conflicts broke out with enormous loss of life, massive forced displacement and human suffering in Eritrea, Ethiopia and the Southern Balkans, while protracted emergencies continued in Afghanistan, Angola, Sierra Leone, and Sudan.

UN agencies that deal with humanitarian issues include the United Nations Children's Fund (UNICEF), the World Health Organisation (WHO), the United Nations High Commissioner for Refugees (UNHCR), the United Nations Development Program (UNDP), the Food and Agriculture Organisation (FAO) and the World Food Program (WFP).

Goods procured include:

- . drugs, vaccine and medical supplies
- . food staples and seeds
- . logistical services
- . freight services
- . generators
- . portable communication equipment
- . water purification and sanitation systems

Development Assistance

The United Nations Office for Project Services (UNOPS) manages project resources to help developing nations and countries in transition in their quest for peace, social stability, economic growth and sustainable development. UNOPS is a self-financed entity within the UN system and offers a broad range of management services. As one of the major executing agencies for UNDCP-funded projects, UNOPS has delivered more than \$160 million in development assistance to over 30 countries in the last ten years.

Economic development agencies purchase:

- . industrial machinery
- . heavy vehicles
- . engineering and architectural services
- . seeds, soils and fertilisers
- . audiovisual equipment
- . contraceptives
- . building materials

Registration procedure

UNOPS generally procures goods and services through limited international solicitation of bids/proposals. UNOPS maintains rosters for the identification of potential suppliers of goods and services. For larger purchases and contracts, requests for expressions of interest may be advertised.

To register as a supplier of goods, contact:

Chief, Purchasing Support Unit
UNOPS, 220 East 42nd Street
NEW YORK, NY 10017, USA
Fax: (1-212) 9066557
E-mail: benVG@unops.org

To register as a supplier of services, contact:

Consultants Roster Unit
UNOPS, 220 East 42nd Street
New York, NY 10017, USA
Fax: (1-212) 906 6515
E-mail: pierangelaS@unops.org

United Nations Agencies

The procurement process in the UN is decentralised, and thus firms must register with each and every UN agency with which they wish to do business. The agencies differ in their procedures from advertising procurement opportunities, to their tendering process and the awarding of the contract.

How to do business with the UN: A Five-Step Approach

Potential suppliers should approach the UN procurement market as they would any other business venture:

1. Thoroughly research the market;
2. Develop relationships with potential UN partners prior to committing to a contract;
3. Register as a potential supplier;
4. Understand the bidding process for obtaining a contract;
5. Be prepared to undertake any after-sale requirements that is part of their contract obligations.

For more information refer to: <http://www.un.org/partners/business/una.htm>

This guide outlines some of the agencies and provides a chart to assist business to match their activities and capabilities to the agencies that are most likely to deal with them.

United Nations Children's Fund (UNICEF)

UNICEF has a network of country and regional offices serving 160 developing countries supported by 37 National Committees and other voluntary organisations in the industrialised world. The agency addresses the needs of children and mothers in distress, both in the short and long term. Recent UNICEF campaigns have attempted to improve sanitation, water quality, primary health care and immunisation.

UNICEF has a high profile in the Australian community and is one of the larger purchasers in the UN system. Globally, during 1998, UNICEF supply expenditure was US\$330 million, including procurement services and local procurement. Procurement of services totalled US\$88m. Around one third of all procurement (US\$113m), including local procurement, took place in developing countries.

UNICEF requires the following items:

- . vaccines
- . drugs and pharmaceuticals
- . information technology
- . motor vehicles, parts and accessories
- . hospital and medical equipment
- . classroom and laboratory equipment
- . cold storage equipment
- . water and sanitation equipment
- . emergency relief items
- . tubes, pipes and fittings
- . pumps and compressors
- . audio-visual equipment
- . teaching aids

UNICEF only occasionally requires consulting services, typically of a very specific nature.

Orders placed in the field account for approximately 30% of total UNICEF procurement; the rest is managed by Copenhagen, which is the principal contact point for all goods except computer and audiovisual equipment, which is purchased in New York.

The UNICEF Supply Division encourages companies to submit in writing a request to be involved in their procurement program. If the company's products are of interest, the Division

asks the supplier to complete and submit their Supplier Profile Form. Applicants who meet the financial and product criteria will then be included in Invitations to Bid for the products that they require. Standard bidding procedures are followed at UNICEF.

For new suppliers, a key element in winning UNICEF business is to make contact with the technical expert within the Supply Division who manages your product. That person can discuss the product's suitability and features and, if impressed, can forward an Invitation to Bid. Personal contact, especially through a visit, is essential in establishing your credentials.

UNICEF maintains a website located at: <http://www.unicef.org>

United Nations Procurement Division (UNPD)

The UNPD has a field of activity covering procurement for the UN headquarters in New York, for UN Peacekeeping Missions and for the regular program activities of the Regional Economic Commissions. The United Nations procures requisite commodities through competitive registration of interest from qualified vendors registered in the vendor roster of the Procurement Division. Depending upon the complexity of a requirement and the value of the commodity to be procured, the registration of interest is issued as a Request for Proposal (RFP) or an Invitation to Bid (ITB) or as a Request for Quotation (RFQ). Companies interested in participating in future bidding can register with the Procurement Division. Vendor Registration Forms can be found at <http://www.un.org/Depts/ptd/aboutpd.htm> or send a request for the form to the Procurement Division to its email address at register@un.org or fax to (212) 963 3503. Contact details of procurement officers are listed on this web page.

The UNPD procurement for 1998 was in excess of US\$318 million, for supplies and services including:

- . manufacturing equipment
- . vehicles
- . industrial materials and finished products
- . office furniture
- . machines and supplies
- . computer hardware and software
- . communications equipment
- . foodstuffs
- . pharmaceutical supplies
- . medicines

Case Study - Hazell Brothers Group

Hazell Brothers is a Tasmanian group which has grown from a small family business established over 50 years ago into a large diversified organisation. Although earthmoving and transport form the core of the company's business, it also has interests in civil contracting, pastoral activities, blue metal, sand, concrete, waste management and coach transport.

The company realised that the reconstruction of East Timor would offer business opportunities that would fit well with its corporate ethos of community responsibility. Consequently, with three other Tasmanian-based firms, it formed an alliance to investigate opportunities in East Timor. This was done through the employment on short-term contract of a Timor-based Australian representative of the alliance.

The alliance representative alerted Hazell Brothers to a contract offered by the UNDP to repair 50 kilometres of road in the district of Emera, where the majority of East Timor's coffee for export is grown. In its successful bid for the contract, worth some \$600,000, the company emphasized that its tender would see the employment and training of a substantial number of local East Timorese.

Hazell Brothers experience in East Timor holds several important lessons. First, companies seeking to participate in the reconstruction of East Timor need to be well prepared and would be best served by on the ground representation. The innovative alliance strategy followed by Hazell Brothers and its partners offers one cost-effective means of doing this, particularly for small and medium-sized firms. Second, the UN agencies active in East Timor are also focused on the reconstruction of East Timorese society, particularly through employment creation, as well as its physical infrastructure. Tenders which emphasize local employment and training are more likely to be successful than those which do not.

United Nations Development Program (UNDP)

The UNDP based in New York is responsible for the UN's efforts to promote economic development and self-reliance in developing economies. The UNDP does not undertake large infrastructure projects (leaving this to the World Bank), but considers itself an implementing agency. Therefore, a lot of the work available is for consultancies in engineering and infrastructure, health issues, the environment and agriculture.

Australian consultants are considered well qualified to work in the Asia-Pacific region, but are not excluded from working in other parts of the world. Partnering with local service providers in developing countries has been an important component in successful bids.

Food and Agriculture Organisation (FAO)

Founded in 1945, the FAO is the largest of the UN specialised agencies. The FAO, based in Rome, works to promote agricultural development in developing nations. The FAO procures a range of goods and services, including:

- . chemicals and fertilisers
- . seeds
- . irrigation and construction equipment
- . animal vaccine
- . services in crop management
- . services in biodiversity
- . geophysical surveys
- . services in veterinary science

The FAO maintains its own roster of potential suppliers. To be included, firms must write to the Chief, Procurement Service, FAO, Administrative Services Division, Viale delle Terme di Caracalla, 00100 Rome, Italy, Tel: (39-6) 570 53161, Fax: (39-6) 570 53047) indicating their interest in doing business. Austrade can pass on the relevant forms directly. The Austrade hotline number is **13 2878**. Technical merit is an important consideration in winning FAO contracts, and the prominence of Italian suppliers suggests the importance of being in regular contact with the FAO in obtaining Invitations to Bid.

United Nations Office for Project Services (UNOPS)

The UNOPS specialises in the execution of development projects. The Purchasing Division, responsible for high value and complex procurement of goods, is in Copenhagen.

UNOPS requires consulting services in:

- . engineering and infrastructure
- . health issues
- . environmental protection
- . agriculture
- . economic management
- . public administration

UNOPS requires equipment such as:

- . motor vehicles
- . computers
- . medical and surgical equipment
- . iron and steel products
- . fertilisers
- . chemicals
- . petroleum products

UNOPS maintains rosters for both consultants and suppliers, and considers expertise and established links to local firms and contractors in the site country essential. For Australian suppliers, the focus is often in Asia, thus the UNOPS regional office in Kuala Lumpur, is a significant point of interest.

International Civil Aviation Organisation (ICAO)

The ICAO has its headquarters in Montreal, and undertakes projects related to the coordination of civil aviation, such as air safety programs, training of personnel, radar systems, navigational aids, airport planning and construction and studies in transport economics. The bulk of the procurement is done through the technical cooperation program. Most of the activity is currently centred in Latin America, with little present involvement in the Asia-Pacific region. During 1998 ICAO procured goods and services for approximately US\$18 million.

Firms wanting to bid for ICAO projects need to register. ICAO maintains a roster of potential suppliers. Companies wishing to register may obtain registration documents by writing to Chief, Procurement Section, Technical Cooperation Bureau, International Civil Aviation

Organisation, 999 University Street, Montreal, Quebec, Canada H3C 5H7, Tel: (1-514) 954 8081, Fax: (1-514) 954 6287 or 954 6077. Email: procurement@icao.int. Applications for registration are subject to certain fees. (<http://www.iapso.org/publications/index.htm>)

World Health Organisation (WHO)

The WHO was created in 1948. Today, with over 190 Member States, WHO is the lead agency in international health. The WHO, headquarters in Geneva, promotes disease prevention, immunisation campaigns and health research and supports national health programs. Half the procurement is disbursed from WHO headquarters in Geneva, with the offices in Washington, New Delhi, Copenhagen, Kinshasa and Manila making up the other half. WHO's procurement requirements include vaccines, hospital supplies, educational material, pharmaceuticals, laboratory equipment and water purification equipment. Total procurement for the WHO for 1998 was US\$89 million.

Commercial enterprises who consider that their products would be of interest to WHO are invited to submit catalogues and price lists to the Coordinator of WHO Procurement Services for Evaluation. Should this documentation indicate that they might be competitive on a worldwide basis, they are then invited to fill in a Company Profile Form. Appropriate suppliers are selected from these records to tender for goods required. (UN General Business Guide, United Nations Homepage, <http://www.iapso.org/publications/index.htm>)

United Nations High Commissioner for Refugees (UNHCR)

The UNHCR provides protection and assistance to the world's refugees. It is charged with assisting refugees in the countries to which they have fled, and helping them return to their homes. It is also on the frontline for emergency relief in the event of large-scale humanitarian tragedies Procurement requirements include:

- . vehicles
- . communications equipment
- . household equipment
- . plastic sheeting, blankets and tents
- . medical equipment
- . textiles an clothing
- . pharmaceutical products
- . water
- . building materials

Most procurement is still done centrally from the headquarters in Geneva, by the Supply and Transport Section (TST) which keeps a roster of potential suppliers. During 1998, TST in Geneva purchased goods for approximately US\$40 million and services for US\$6 million. The emergency nature of UNHCR procurement gives rise to substantial volumes of purchases made in the field; however, this will be more difficult for Australian companies unless the mission is located close to Australia.

New suppliers who want to apply for registration as a potential supplier to UNHCR will register in the United Nations Common Supply Database (UNCSD). A registration form can be obtained from Chief, Supply and Transport Section, UNHCR, Case Postale 2400, CH-1211 Geneva 2 Depot, Switzerland, Tel: (41-22) 739 8111, Fax: (41-22) 739 7306. A full explanation of the procurement and vendor registration procedures is contained in the publication *Doing Business with UNHCR* a copy of which will be posted with the application form. For information on the bidding procedure see UN homepage, General Services Guide, <http://www.iapso.org/publications/index.htm>

World Food Program (WFP)

The WFP provides food to malnourished people across the world. In a typical year, WFP can spend US\$260 million on food staples alone. All food items purchased by the WFP are in a non-perishable state and, in most instances, must not require refrigerated storage. WFP rarely buys ready to eat food rations such as those required in peacekeeping. The Australian Government makes in-kind donations directly to the WFP, and businesses can obtain contracts to supply these commodities by contacting AusAID. The WFP, however, allocates more of its procurement budget (about 50%) to air, sea and land freight.

WFP's procurement office in Rome is responsible for procurement. Contracts are not advertised. WFP maintains a roster of potential suppliers from which companies are selected to bid for individual contracts. Invitations to Bid are issued at the discretion of the responsible procurement officer, whose responses are often due in 2 - 3 days, especially for emergency food items. Austrade can help companies join the supply roster and provide guidance in the presentation of credentials to key WFP personnel.

WFP is part of the United Nations Common Supply Database (UNCSD), based in Oslo that acts as a one window registration for thirteen UN organisations. New suppliers of products and services should submit their application for registration directly to the UNCSD office at fax number (+47) 2224 6281, or completing an on-line application form at <http://www.uncsd.org>

United Nations Population Fund (UNPF)

The United Nations Population Fund (UNFPA) is concerned with a range of issues regarding population and reproductive health. Half of UNFPA's funds go into family planning projects and almost two thirds of its total procurement budget is spent on contraceptive devices. It does not undertake much consultancy work. All procurement is done from the head office in New York, and potential vendors must register with details of their products.

UNFPA procures approximately US\$70-100 million in goods and services annually, the majority of which is through its Headquarters Procurement Unit located in New York.

UNFPA maintains a computerised roster of potential suppliers and updates this roster on a continuous basis. Prospective vendors are required to complete a "Registration Form for Prospective Vendors", available on request. This form can also be downloaded from UNFPA'S website. Forms should be returned to Senior Procurement Officer, UNPF, 220 East 42nd Street, New York, NY 10017, USA, Tel: (1-212) 297 5381/5392, Fax: (1-212) 297 4916/5250.

Selecting most relevant UN agencies

With many different UN agencies purchasing a wide variety of goods and services, firms are advised to choose which agencies match the products in which they have a comparative advantage. The best approach for most firms will be to target two or three agencies with a medium to long term strategy. The following is an indicative list:

Industry	UN Buyers*
Agricultural equipment and products	FAO, UNOPS, UNHCR, WFP
Automotive	All UN agencies, especially UN/PD, UNHCR, WFP, UNICEF, UNOPS, IAPSO
Books and technical manuals	All UN agencies, especially UNFPA, WHO, UNICEF, ILO, UNESCO
Construction equipment	UNIDO, UNOPS, UNHCR, UNICEF, UN/PD, FAO
Chemicals and insecticides	UNOPS, FAO, WHO, UNHCR
Communications equipment	UN/PD, UNHCR, UNICEF, WFP, WHO, UNESCO, UNOPS, IAPSO, UNIDO
Computer hardware and software	All UN agencies
Consulting - agricultural	UNOPS, UNDP, FAO
Consulting - development	UNOPS, UNDP, UNIDO, UN/DDSMS
Consulting - economic and administrative	UNOPS, ILO, UNIDO, UNESCO, UNDP, UN/DDSMS
Consulting - environmental	UNOPS, UNIDO, UNDP
Consulting - health	UNICEF, UNOPS, UNFPA, WHO
Consulting - scientific	UNESCO, FAO, WHO, IFAD, UN/DDSMS, UNFPA
De-Mining equipment	UN/PD, UNHCR, UNDP, UNOG
Drugs and vitamins	UNICEF, WHO, UN/PD, UNFPA, UNHCR
Food - commodities (grains and pulses)	WFP, UNOPS
Food - processed (speciality relief items)	WFP, UNHCR, UNICEF
Medical and surgical supplies (including hospital equipment)	UNICEF, WHO, UN/PD, UNFPA, UNOPS, UNHCR
Pharmaceuticals	UNICEF, WHO, UNHCR, UN/PD, UNFPA, UNIDO
Scientific and laboratory equipment	WHO, UNICEF, FAO, UNESCO, UNIDO, UNHCR, UNOPS, ILO, UNFPA, IAEA, ICAO, WFP
Seeds and fertilisers	FAO, UNOPS, WFP, UNHCR
Telecommunications equipment	UN/PD, UNHCR, UNICEF, WFP, WHO, UNESCO, UNOPS, IAPSO, UNIDO
Vaccines	UNICEF, WHO (human vaccine) FAO (animal vaccine)
Water purification equipment and products	UNICEF, UNHCR, UN/PD, UNOPS, FAO, WHO, UNOG

*See Glossary for explanation of acronyms, page 48.

Bidding and Registration

UN agencies generally follow a policy of 'limited international competitive bidding', inviting companies to participate in a limited competitive tender. Bidding is restricted to firms that have officially registered as a potential supplier with that particular agency, and have been invited to bid for that particular contract. The firms that have been short-listed to bid are drawn up at the discretion of the procurement officer. In most cases, uninvited firms are not eligible to tender.

Therefore, the first step for doing business with the United Nations is registration. At present, each agency maintains an individual roster of qualified potential suppliers, and each firm must register separately with each agency of interest to them. To qualify, a company must have been in operation for at least two years, demonstrate financial solvency and have past experience in providing the goods and services for which it is registering. Registration materials for most major UN agencies are available from the **Austrade Hotline 13 2878**.

Registration alone does not guarantee an Invitation to Bid; it is merely a prerequisite. There may be 5000 company names on a single UN roster, and therefore it is the quality and regularity of the company's relationship with the UN procurement officer or the agencies' field officers that is the more critical factor in being offered an Invitation to Bid. This can also assist companies in obtaining information about upcoming contracts and in expressing an interest in bidding for them.

The United Nations *Development Business*, a print and online publication of the UN Department of Public Information offers monthly summaries of projects pending approval at the World Bank and the Inter-American Development Bank, as well as quarterly ones from the African Development Bank. These guides, organised by region, country and sector in print or searchable online, enable you to monitor any proposed project in any bank member country, from the moment the bank is interested in financing a project until a loan agreement is signed and procurement begins. In fiscal year 1998, UN *Development Business* reported \$29 billion in newly approved World Bank projects.

The UN *Development Business* is published by the United Nations Department of Public Information and is available by subscription. It provides comprehensive sources of information on opportunities to supply goods, works and services to projects financed by the world's leading development banks. *UN Development Business Online* offers the advantage of continuous updating and easy-to-use search capabilities that enable users to quickly identify sales and consulting leads by country, region, sector, bank, type of goods and services. (<http://www.devbusiness.com/>)

Some agencies also advertise in professional and trade journals and newspapers, allowing 30 to 60 days for the receipt of bids. All agencies strive to have a minimum of three bids.

Where international competitive bidding does not apply, agencies will invite a selection of companies on their databases to submit bids. This is also the case for consultancy work. These lists are regularly updated, and it is in the consultant's interest to maintain regular contact with an agency to ensure a place on these lists.

Australian Procurement from UN Agencies in 1998 (US\$'000)				
Agency*	Goods	Services	Australian total	Agency total
ESCAP	1.4	14.0	15.4	1850.0
FAO	54.5	-	54.5	107870.0
IAEA	193.2	7.8	201.0	68630.0
ITU	0.9	-	0.9	47400.0
NEX (UNDP)	15.3	80.6	95.9	602050.0
UNESCO	9.9	-	9.9	90090.0
UNHCR	617.7	-	617.7	58130.0
UNICEF	406.5	-	406.5	327089.0
UNIDO	1.0	34.0	35.0	44810.0
UNOPS	338.1	2678.9	3017.0	237080.0
UN/PD	-	79.5	79.5	247630.0
WHO	186.2	-	186.2	88580.0
Total	1895.4	3077.7	4973.1	1956820.0
Australian Percentage	0.1	0.2	0.2	

Source: UN Annual Statistics Report 1998.

*Nex or National Execution: Operational arrangement whereby the recipient government assumes responsibility for execution of technical assistance projects and programs, mainly under UNDP funding. *See Glossary for explanation of names.

Government Assistance to firms

Austrade is able to assist Australian enterprises by business matching, ie. pairing business products and services with the UN's procurement needs. If appropriate, Austrade can assist businesses by providing advice on the necessary registration procedures before helping with UN contacts directly. Austrade can also assist in obtaining and lodging registration documents, or in the organisation of promotional visits to UN agencies.

Austrade can assist firms in determining which of the many UN agencies might be relevant. It has produced a useful publication *Exporting to the United Nations: a guide for Australian business*, which provides detail about individual agencies, their backgrounds, procurement needs and processes, and their Internet addresses.

Multilateral Procurement Reform in the United Nations

Since the beginning of the 1990s, member governments have pressured international organisations into producing a more cost-effective, open and transparent multilateral procurement process. The aim of this pressure is to guarantee that all firms are treated equitably when bidding for UN contracts. Many companies are frustrated at the lack of standardised rules across UN agencies, and the alleged arbitrariness of contract awards.

The United Nations Procurement Division (UNPD) has an *Expressions of Interest (EOI)* Internet website www.org/Depts/ptd.eoimanin.htm to encourage new vendors of relevant products and services to register with the Procurement Division of the UN. Firms/organisations that are already registered with the Procurement Division do not need to respond to these Requests for Expression of Interest. Firms/organisations that have not yet been registered with the Procurement Division must submit applications for vendor registration. Registration information may be obtained from the UNPD website www.un.org/Depts/ptd/venreg1.htm Each completed application will be evaluated by the UN on the basis of experience, ability to perform, relevance of the goods or services and financial soundness of the supplier. Applicants may provide one set of catalogues or short-form specifications concerning its products. Completed registration form, certified printout, general information and financial report should be returned to:

United Nations
Procurement Division
Supplier Registration
Supplier Roster Officer
304 East 45th Street, Room FF-245
New York, NY 10017

The General Business Guide (GBG) for Potential Suppliers of Goods and Services has a section on Common Guidelines for Procurement by Organisations in the UN system. The Guide can be found at <http://www.iapso.org/publications/index.htm>

The purpose of the guidelines is to communicate basic principles for procurement by the organisations within the UN system and guide to procurement activities and facilitate harmonisation of procurement procedure among UN organisations.

Case Study – Nautronix Group

The Nautronix Group, headquartered in Fremantle, is an international group of companies providing products and services to the offshore oil and gas, mining, naval and oceanographic industries.

Nautronix has won a major sub-contract to Science Applications Incorporated, an American firm awarded the contract to construct the Cape Leeuwin Hydroacoustic station for the Comprehensive Nuclear Test Ban Treaty Organisation. Nautronix is responsible for the provision of essential in-country logistical support and sub-contracting of certain support services. It will be responsible for shore facilities, obtaining necessary permits from State and Commonwealth authorities, installation and testing of all electronic equipment and training.

There are two main lessons to be learned from Nautronix's success. First, the company realised early the advantages of being known to multilateral organisations, which might have use for its products and services and the importance of being registered with these organisations. Nautronix was invited to bid by the Secretariat of the Comprehensive Nuclear Test Ban Treaty Organisation because it was already known to the Secretariat.

Second, Australian companies should not underestimate the opportunities offered by membership of consortia led by perhaps larger international companies. While the magnitude of procurement contracts vary, Australian companies are well-positioned, by virtue of technical proficiency, to take leading sub-contracting roles where it is not possible to be the prime contractor.

5. Winning Contracts

The three criteria primarily used to award contracts are: price, conformity to specifications and after-sale support and maintenance.

The strictness of specifications is based on field experience; field officers have unofficial guidelines on how to operate in inaccessible areas of the world, with limited infrastructure:

- equipment should be sturdy, easy to operate and climate resistant;
- technical manuals should be written in the language most common in the area of operation, normally English, French or Spanish;
- provision should be made for reliable service, parts, maintenance and repair.

Field officers expect that private contractors will move into the mission area with self-supporting operations and commit to providing to all staff the services and infrastructure necessary to fulfil their contracts.

MDBs and UN agencies in considering to whom they should award contracts, are most likely to choose companies targeting activities close to their own operational stronghold. Another important factor is the experience the bidder has in delivering similar products or services in the same region, and its ability to offer after-sales service. Most importantly, an agency looks at companies that appear willing to work at establishing long term relations with procurement officers.

The following are some useful tips that each firm should keep in mind in bidding for all multilateral contracts:

- learn how the MDBs and the UN agencies operate, how they are organised, in what lending activities they are involved and how they develop projects;
- keep monitoring what opportunities are coming up, by subscribing to the information sources that best suit your firm's needs, including use of the Internet;
- contact the decision makers, whether it be the headquarters or the Executing Agencies, as early as possible, and follow the projects through each stage of the cycle;
- focus in areas where you have a past track record, developed trading partners or have a good understanding of the local business culture to give you a comparative advantage - you cannot win everything, so you must specialise;
- establish a relationship with the relevant agency officials, local agents or partners, marketing your products or services and matching them with possible future opportunities;
- obtain the bidding documents as soon as they are available - Austrade can often assist with this;
- make sure that bids meet the deadlines and conform to the necessary specifications;

- if your bid fails, analyse the reasons and modify your approach accordingly for your firm's next bid;
- use past contracts to learn about future opportunities with the agencies. A long-term commitment is valued.

Aid Projects

Australian companies seeking experience to assist in their bidding efforts for UN or Multilateral Development Banks contracts can benefit from working first on AusAID (Australian Agency for International Development) projects to establish their credentials. In addition, from time to time AusAID engages in co-financing of projects in particular sectors with the World Bank, Asian Development Bank and some UN agencies.

AusAID manages Australia's development cooperation program, with a budget of \$1.48 billion for 1998-99. The program promotes poverty reduction through sustainable development projects primarily in Asia and the Pacific.

Business organisations and individuals may contribute to the Agency's program through:

- short term consultancy work, (eg involving project design or evaluation);
- contractor selection (including serving on Technical Assessment Panels); and
- project implementation.

AusAID conducts an open competitive tender process for project implementation and major works such as feasibility and design studies. The official source of information on current AusAID tenders is the Business Opportunities section of the 'Transigo' website <http://www.transigo.net.au>

AusAID has a Consultants Register, which is a database of individual consultants seeking short-term consultancy work on Australian Government development cooperation projects. The Register also identifies consultants prepared to serve on AusAID Technical Assessment Panels. Permanent residents and citizens of Australia and New Zealand are eligible for registration either as individuals or under the auspices of their employer.

Period Contracts offer an opportunity for individuals and companies to provide short-term specialist advice to AusAID at agreed fee rates, for assignments including project preparation, design, appraisal and evaluation. Consulting companies and individuals are selected through a competitive tender process based on technical merit and price to provide services for two or three years.

For further information, contact AusAID directly on 02 6206 4000.

Conclusions

Winning and fulfilling a UN or MDB contract should be seen not only in its own terms, but as the start of a longer term relationship with procurement officers, as well as an opportunity to make potentially larger contracts in the host country itself. These contracts can enable the gathering of market intelligence in emerging economies, and assist firms in improving market share. Many of these economies may have stalled in their economic development due to war

or natural catastrophe, and therefore obtaining accurate data about the business and political environment of these nations is best suited to international institutions, who have a sound understanding of the local cultures. Representatives of multilateral institutions can also provide access to key political figures, often necessary in countries with close political-business links. Hence doing business with Multilateral Development Banks or the United Nations is a cost effective way of entering newly emerging markets without committing resources locally.

1. Contacts

Multilateral Development Bank Contacts

World Bank Business Partnership Centre
Room D11-011, 1818 H Street NW
Washington DC 20433 USA
Tel: +1 202 522 4272
Fax: +1 202 522 1727
Internet: <http://www.worldbank.org>

The World Bank InfoShop can provide information about the Bank's projects, including Project Information Documents, Environmental Data Sheets, Project Appraisal Documents and a catalogue of other Bank documents available to the public. This may be ordered through the World Bank web site, or directly from the InfoShop.

World Bank InfoShop
1818 H Street, NW, Room J1-060
Washington DC 20433 USA
Tel: (202) 458 5454
Fax: (202) 522 1500
Internet: <http://www.worldbank.org>

The GEF Secretariat
1818 H Street, NW
Washington DC 20433 USA
Tel: +1 202 473 0508
Fax: +1 202 522 3240
Internet: <http://www.gefweb.org>

Asian Development Bank
6 ADB Avenue
Mandaluyong City
0401 Metro Manila
Philippines
Tel: +63 2 632 4444
Fax: +63 2 636 2444
Internet: <http://www.adb.org>

Contact the Chief, Central Operations Services Office for expressions of interest in providing procurement services, or the Chief Information Officer, Information Office, for published information on ADB activities.

European Bank for Reconstruction and Development
Public Affairs Office
One Exchange Square
London EC2A 2EH
United Kingdom
Tel: +44 171 338 6000
Fax +44 172 338 6100
Internet: <http://www.ebrd.com>

Japan Bank for International Cooperation
Procurement Policy and Supervision Division
Project Development Department
1-4-1, Otemachi, Chiyoda-ku,
TOKYO, 100-8144 JAPAN
Tel: 81-3-5218-9709
Fax: 81-3-5218-9845
Internet: <http://www.jbic.go.jp>

The Overseas Economic Cooperation Fund (OECF)
Head Office
Takebashi Godo Building
4-1 Otemachi 1-chome
Chiyoda-ku
Tokyo 100-004 Japan
Tel: +81 3 3215 1419
Fax: +81 3 3215 1307
Internet: <http://www.oecf.go.jp/menu/menu0e/htm>

United Nations Contacts

Chief, Procurement Section,
Technical Co-operation Bureau,
International Civil Aviation Organisation (ICAO)
999 University St
Montreal, Quebec H3C 5H7
Canada
Tel: +1 514 954 8081
Fax: +1 514 954 6287

Officer-in-Charge, Purchasing and Control Branch
Food and Agricultural Organisation (FAO)
Viale delle Terme di Caracalla
00100 Rome Italy
Tel: +39 6 5705 3161
Fax: +39 6 57053047

Chief, Supply Services
World Health Organisation (WHO)
Avenue Appia, 20
CH-1211 Geneva 27
Switzerland
Tel: +41 22 791 2111
Fax: +41 22 791 4196

Chief, Business Liaison Section
UNDP/IAPSO
Midtermolen 3
PO Box 2530
DK-2100 Copenhagen Ø
Denmark
Tel: +45 35 46 7000
Fax: +45 35 46 7001

Chief, Supply and Transport Section HQSF00
UNHCR
Case Postale 2500
CH-1211 Geneva 2 Depot
Switzerland
Tel: +41 22 739 8111
Fax: +41 22 739 7306

Chief, Purchasing Support Unit
UNOPS Copenhagen Office
Midtermolen 3 (PO Box 2695)
DK-2100 Copenhagen Ø
Denmark
Tel: +45 35 46 7200
Fax: +45 35 46 7201

Chief - UNOPS Asia Division
Wisma UN Block C
Komplek Pejabat Damansara
Jalan Dungin, Damansara Heights
50490 Kuala Lumpur
Malaysia
Tel: +60 3 253 8735
Fax: +60 3 253 1505

Chief, Contracts and Procurement Service
Department for Development Support and Management Services (DDSMS)
1 United Nations Plaza, 14th Floor
United Nations
New York, NY 10017 USA
Tel: +1 212 963 8947
Fax: +1 212 963 8911

Officer-in-Charge
Procurement Division (UNPD)
304 East 45th Street, 2nd Floor
United Nations
New York NY 10017 USA
Tel: +1 212 963 3450
Fax: +1 212 963 3503

Chief, Procurement and Contracts Branch
Management Services Division
World Food Program (WFP)
Via Cristoforo Colombo, 426
00145 Rome
Italy
Tel: +39 6 6513 2365
Fax: +39 6 5228 2807

Director - Supply Division
United Nations Children's Fund (UNICEF)
UNICEF Plads, Freeport
DK 2100 Copenhagen
Denmark
Tel: +45 35 27 3527
Fax: +45 35 26 9421

Senior Procurement Officer
United Nations Population Fund (UNFPA)
220 East 42nd Street, 17th Floor
New York, NY 10017 USA
Tel: +1 212 297 5381
Fax: +1 212 297 4916

Chief, Purchase and Contracts Service
UNIDO
P O Box 300
A-1400 Vienna
Austria
Tel: +43 1 26026 3600
Fax: +43 1 26026 6816

Information on grant-funded business opportunities derived from UN organisations and United Nations Development Program (UNDP) assisted projects is available on the Internet via the Inter-Agency Procurement Services Office home page (<http://www.iapso.org>) called *Procurement Update*, revised twice a month.

The primary source of information on loan funded business opportunities by the UN and MDBs is *Development Business*, published 24 times a year in New York. *Development Business* carries procurement notices for goods and services, subject to ICB, for projects by the UNDP, World Bank, Asian Development Bank, European Bank for Reconstruction and Development and other MDBs. *Development Business* is available through subscription by contacting:

Subscription Department
Development Business
PO Box 5850, Grand Central Station
New York, NY 10163-5850 USA
Tel: +1 212 963 1516
Fax: +1 212 963 1381

Development Business is also now available on the Internet, for a fee. Its website is <http://www.dbserver1.worldbank.org>

A useful publication, updated annually, is published by the United Nations Association of the United States of America titled *How to do business with the United Nations: The Complete Guide to UN Procurement*. The Guide breaks down each UN agency, including the technical agencies, and goes into detail about procurement requirements of each agency over the past year, lists contact names and statistics, as well as reporting of procurement reform at the UN. <http://www.usausa.org/programs/pguideintro/sld001.htm>

The United Nations Association of the United States of America
801 Second Avenue
New York, NY 10017 USA
Tel: +1 212 907 1300
Fax: +1 212 682 9185

Government Contacts

The first point of contact in Australia for any specific procurement information and opportunities should be the Austrade Hotline and web site. The web site provides up-to-date information and useful links to the World Bank, ADB and EBRD web sites. Austrade can provide the registration papers for consultants and suppliers to register with the procurement agencies.

Austrade Export Hotline: 13 2878

Web Site: <http://www.austrade.gov.au>

The Austrade point of contact in Australia for expert advice and assistance with major multilateral project opportunities is the Austrade Sydney office.

Contact: Ken Johnson,
National Manager
Multilateral Procurement
Austrade
201 Kent Street
SYDNEY NSW 2000
Tel: (02) 9390 2714
Fax: (02) 9390 2083

Austrade Washington
Australian Embassy
1601 Massachusetts Ave NW
Washington DC 20036 USA
Tel: +1 202 797 3398
Fax: +1 202 797 3300
Contact: Trade Commissioner

Austrade - Manila
Australian Embassy
Third floor, Salustiana D Ty Tower
104 Paseo de Roxas cor. Perea St,
Legaspi Village, Makati City, Metro Manila
Philippines
Tel: +63 2 754 6142
Fax: +63 2 810 2896
Contact: Trade Commissioner

Austrade - Tokyo
Australian Business Centre
7th Floor, New Otani Garden Court
4-1 Kioicho, Chiyoda-ku
Tokyo 102, Japan
Tel: +81 3 5214 0750
Fax: +81 3 5214 0751

The Department of Foreign Affairs and Trade (DFAT), which produced this Guide, can provide business with general information on multilateral procurement opportunities, and assist with pointing businesses in the right direction. The Department does not have information on specific contracts, contacts or Executing Agencies, which are handled by Austrade.

Department of Foreign Affairs and Trade
Multilateral Procurement Unit
The R G Casey Building
John McEwen Crescent
BARTON ACT 0221
Tel: 02 6261 2125
Fax: 02 6261 2465
Internet: <http://www.dfat.gov.au>

Mr Ross Muir
Director
Development Business and International Information
AusAID
GPO Box 887
Canberra ACT 2601
Tel: 02 6206 4973
Fax: 02 6206 4998
Internet: <http://www.ausaid.gov.au/>

The Department of Defence has an Exports and International Programs Branch that offers companies assistance in marketing defence related or dual use goods to the United Nations or multilateral agencies, particularly in the areas of peacekeeping or humanitarian relief. Defence may provide assistance through the specialist Defence Trade Commissioners in Indonesia and Thailand, or the Defence Attaches internationally, including at the UN. Defence may also arrange for the loan of equipment or personnel, and assistance in other marketing activities, on a cost recovery basis.

Director
Strategic Trade Policy and Operations
Exports and International Programs Branch
Department of Defence
Campbell Park Offices 4-1-53
Canberra ACT 2600
Tel: 02 6266 4392
Fax: 02 6266 2997

6. Glossary

ADB	Asian Development Bank
AusAID	Australian Agency for International Development
Austrade	Australian Trade Commission
DACON	Data on Consulting Firms
DFAT	Department of Foreign Affairs and Trade
DICON	Data on Individual Consultants
EBRD	European Bank for Reconstruction and Development
ECU	European Currency Unit
ESCAP	Economic and Social Commission for Asia and the Pacific
FAO	Food and Agriculture Organisation
GEF	Global Environment Facility
GPN	General Procurement Notice
IAEA	International Atomic Energy Agency
IAPSO	Inter-Agency Procurement Services Office (UNDP)
IBRD	International Bank for Reconstruction and Development
ICAO	International Civil Aviation Organisation
ICB	International Competitive Bidding
IDA	International Development Agency
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
ILO	International Labour Organisation
ITU	International Telecommunications Union
LIB	Limited International Bidding
MDB	Multilateral Development Bank
MIGA	Multilateral Investment Guarantee Agency
MOS	Monthly Operation Summary
NEX	National Execution (UNDP)
OECD	Overseas Economic Cooperation Fund
ODA	Official Development Assistance
PAD	Project Appraisal Document
PAHO	Pan-American Health Organisation
SAR	Staff Appraisal report
SPN	Specific Procurement Notice
UN/DDSMS	United Nations Department of Development Support and Management Services
UNDP	United Nations Development Program
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UN/FALD	United Nations Field Administration and Logistics Division
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organisation
UNOG	United Nations Office at Geneva
UNOPS	United Nations Office for Project Services
UN/PD	United Nations Procurement Division
WFP	World Food Program
WHO	World Health Organisation

8. References:

The Asian Development Bank, *The Asian Development Bank Annual Report 1997, 1998*, Manila, Philippines.

The World Bank, *The World Bank Annual Report 1997, 1998*, Washington, D.C.

United Nations System, *General Business Guide (GBG) for Potential Suppliers of Goods and Services*, United Nations Development Programme, 18th Edition - July 1999, New York USA

United Nations System, *Annual Statistical Report 1998*, United Nations Development Program, New York, USA.

Internet addresses:

Asian Development Bank (ADB)

. <http://www.adb.org/>

The European Bank for Reconstruction and Development

. <http://www.ebrd.com/>

The World Bank Group

. <http://www.worldbank.org/>

United Nations

. <http://www.un.org/>

United Nations Procurement Division

. <http://www.un.org/Depts/ptd/aboutpd.htm>

United Nations Business Online

. <http://www.devbusiness.com/about.cfm>

Inter-Agency Procurement Service Organisation (IAPSO)

. <http://www.iapso.org/>

Japan Bank for International Cooperation

. <http://www.jbic.go.jp>