

Multilateral Procurement Guide

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1. INTRODUCTION

For the Australian business community, multilateral procurement offers important opportunities as the World Bank, other Multilateral Development Banks (MDBs) and the United Nations (UN) are amongst the world's largest purchasing entities, and can be an ideal means of developing market knowledge and breaking into newly emerging economies.

"Multilateral procurement" refers to the provision of goods and services, including consultancy services, through international organisations; most notably the World Bank and other Multilateral Development Banks, including the Asian Development Bank (ADB) and the European Bank for Reconstruction and Development (EBRD), and the United Nations and its specialised agencies. These international organisations provide loans, mostly to governments of developing countries, which then contract private companies to fulfil the requirements of the projects.

There are good prospects for improving Australia's share of the MDB and UN markets. A lot of multilateral procurement loans are to countries in the Asia Pacific region, where Australian companies have a geographic advantage and an established reputation. This guide will clarify what opportunities exist in working with the MDBs and the UN, what Australian business should do to take advantage of these opportunities, and how the Australian Government and its agencies can assist business.

Essentially, Government agencies can provide business with information and advice on how to compete successfully for multilateral contracts. The agency with primary responsibility for this is Austrade or the Australian Trade Commission. 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 a range of other 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, and 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) are also able to assist business with information on procurement and funds for procurement needs.

2. OPPORTUNITIES IN THE MULTILATERAL DEVELOPMENT BANKS

Multilateral Development Banks (MDBs) are international financial institutions established to help developing countries promote economic growth and alleviate poverty. Australia is a member of the World Bank, based in Washington, the Asian Development Bank, based in Manila, and the European Bank for Reconstruction and Development, based in London.

The MDBs provide concessional finance and consulting and advisory services to developing member countries for a wide variety of development projects and structural reforms. Projects cover a range of sectors: agriculture, rural development, large infrastructure (ports, roads, water systems and power plants), education, population, health, urban development, industrial development and telecommunications.

The MDBs generally only fund that part of the project which involves purchase with foreign exchange. Other funding is provided by the borrowing countries and by other agencies and commercial banks. The total value of projects generated by loans from the MDBs is, therefore, much greater than the actual amount of annual lending. Each project can involve anywhere from one to hundreds of separate contracts of export business opportunities for suppliers world-wide. This also allows small and medium sized firms to win contracts.

World Bank

The World Bank is based in Washington and has 180 member countries. The aim of the World Bank has one overarching goal: helping its borrowers reduce poverty. 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.

For over 50 years the World Bank has been the largest source of financial and technical assistance to developing countries, approving projects to the total value of approximately US\$20-25 billion a year; of which around US\$10 billion is paid annually on tendered contracts. At any one time, the Bank may have 2000 projects under implementation, with 300 new projects each year.

Bank-supported projects cover a wide range of activities: agricultural projects, construction of ports, roads, water systems and power plants, education, environment, finance, law, telecommunication and information systems and privatisation.

The borrower, who 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 make sure 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. Around forty thousand contracts are awarded each year, of which 70% are for goods, 20% for civil works and 10% for consulting services. Many of these contracts are broken down into small packages, enabling small and medium sized enterprises to win business through the lending program.

Thirty-nine percent of World Bank lending is in South and East Asia, where Australia has a geographic advantage in obtaining contracts, with Australian business already well established in this region.

World Bank Disbursement to Australian Companies Financial Years 1996 & 1997 (in US\$ millions)						
Fiscal Year	Civil Works	Consulting	Goods	Other*	Total procured	% Won
1996	11	19	79	0	112	1.18
1997	6	23	48	20	97	1.43

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

Types of Business Opportunities

For procurement of 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.

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

For procurement of 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.

World Bank lending by sector, 1996-1997		
Sector	\$US million	%
Transportation	3,691.7	19.3
Agriculture	3,546.5	18.5
Multisector	2,186.6	11.4
Electric power and energy	1,889.2	9.9
Social sector	1,370.2	7.2
Finance	1,194.8	6.2
Education	1,017.4	5.3
Health, population and nutrition	939.9	4.9
Public sector management	919.9	4.8
Urban development	808.3	4.2
Water supply and sanitation	682.8	3.6
Mining and other extractive	321.4	1.7
Environment	246.7	1.3
Industry	195.5	1.0
Oil and gas	135.6	0.7
Total	19,146.6	100.0

Source World Bank Annual Report 1997

Types of Contracts

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

1. 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.

2. 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.

3. Project Implementation Contracts

There are several types of these contracts awarded for consulting services, equipment and civil works. The nature, timing and procurement method 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, 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 not on cost but on high quality, technically responsible performance, and good results. 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, estimated cost, etc. 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 be aware 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 consultants who are Australian citizens for short term assignments in support of the Bank's lending operations. Approach Austrade Washington for further information.

Negotiations are currently under way to establish two World Bank Partnership Centres in Australia, one in Sydney and the other in Melbourne. Although it is yet to be decided when these Centres may open, Austrade, and in Victoria, the Committee for Melbourne, are involved in proposing that the Bank open regional offices in Australia, improving the information flow to Australian business about World Bank procurement opportunities.

Coffey MPW Pty Ltd

Coffey decided to establish an office in Vietnam in 1994 under the Austrade fellowship scheme. An early success was the Technical Assistance design phase of the First Provincial Towns Water Supply Project which AusAID funded for the ADB. The value was about \$600,000, and the job was undertaken with a partner and completed in 1995. This created a significant beginning in establishing Coffey with the local consultants, the local authorities and the ADB office in Vietnam. From this project Coffey recommended further requirements in support of the Vietnamese institutions to the ADB and won the Water Supply National Tariff Study (with a partner), and the Water Supply Planning and Management Capacity Building Study (independently).

Coffey closely tracked the Technical Assistance phase of the Second Provincial Towns Water Supply and Sanitation project, although they were not favoured by the Bank as a prime bidder, having completed the first project. However, Coffey was approached by Stupp of India and agreed to cooperate with them, proving successful in winning the bid and completing the project in 1996.

Coffey continued to track the Loan Project that flowed from the Technical Assistance phase, and with a partner, was successful in winning one of the two project contract packages.

From this experience, the management of Coffey has learnt that lead time and the work put in early has a strong influence on success. Knowing the ADB system and how it works, including the institutional structure and the role of Australia in its management is important. It is vital to understand the institutions in the borrowing country, including its boards, committee and

divisions, and the country's legal and social system, tax and visa obligations. Also, Coffee recommends that the simplest way to start is through the Technical Assistance projects (for the ADB) as bidding for the Loan Projects can be quite expensive.

In terms of people, knowing and understanding the requirements of the ADB Desk Officer and the key players in the Local system was necessary, and firms should keep the Bank informed of its progress and difficulties on the job. Finally, a continuous presence in country is invaluable in negotiating a contract.

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 is responsible for implementing GEF technical assistance and capacity building activities. The United Nations Environment Program catalyses the development of scientific and technical analysis and advancing environmental management in GEF-financed projects.

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

SMEC International Pty Ltd

SMEC has been involved in providing engineering consultancy services for highway projects in the Asia/Pacific region for 25 years. Most of these have been funded by multilateral agencies such as the World Bank and the ADB. In the late 1980s it became known that the Banks were looking at funding a significant volume of highway rehabilitation, upgrading and construction and that there would be a requirement for international consultants for these projects.

SMEC developed a strategy to actively pursue this work, which involved closely following the progress of project preparation in the Banks, and targeted visits to the proposed Executing Agencies in India. This began with visits in 1988. An indication of the time and effort required can be shown by the fact that SMEC's first project, the World Bank funded State Highway Project in Rajasthan, only commenced in 1993. Since that time, SMEC has maintained contact both with the international institutions 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 ongoing projects. The cost of opening and running an office in New Delhi is relatively expensive. SMEC has been involved with feasibility studies, institutional development

studies and implementation, highway design, contract supervision and management, project coordination and management.

Procurement for all projects has been in accordance with the guidelines of the Banks, involving strong technical and cost competition from leading international consultants. SMEC has been competitive and successful through good knowledge of both Bank and local requirements and procedures, development of relationships with clients and potential clients, and the provision of good technical quality.

Asian Development Bank

The head office of the Asian Development Bank (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.

There is a wide range of opportunities for Australian companies to win business with the ADB. In 1997, the Bank approved around US\$6 billion 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 co-ordinated by an Executing Agency as selected by the borrowing government. Austrade can assist business by providing details on Executing Agencies for given projects. With Technical Assistance projects, consultants are selected and recruited directly by the ADB, not Executing Agencies.

Asian Development Bank Australian Procurement - 1996 & 1997						
	1996			1997		
	US\$ million	%	Rank	US\$ million	%	Rank
ADB Technical Assistance contracts	14.9	11.5	4	24.0	17.15	2
ADB public sector loan consultancies	17.9	9.85	3	12.0	6.25	5
Procurement of goods / services	18.5	0.5	23	52.7	0.9	19
Total	51.3	1.2	na	88.7	1.5	na

Source Asian Development Bank Annual Report 1997

In 1997, Australian companies were successful in winning US\$36 million of project consultancy business (both public sector and Technical Assistance) and increased overall business with the ADB by 72.9% from the previous year. Australia now ranks second after the United States in direct ADB Technical Assistance consultancies, reflecting the Bank's recognition of the reputation and expertise of Australian consultants.

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 to which Invitations to Bid should be sent and must approve the successful bid. Especially 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, 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 are.

Public Sector Contracts Awarded by Country of Origin, 1997				
US\$ million				
Member	Goods, services and civil works	Consulting services	Total ordinary contracts awarded	% Distribution
South Korea	2,084.178	0	2,084.178	35.04
China	708.496	0	708.496	11.91
India	462.569	0.209	462.778	7.78
Indonesia	275.034	23.136	298.170	5.01
Turkey	179.617	0	179.617	3.02
Pakistan	171.257	4.127	175.384	2.95
Singapore	168.500	1.197	169.697	2.85
Thailand	163.430	6.020	169.450	2.85
USA	121.239	30.943	152.182	2.56
Japan	142.259	8.764	151.023	2.54
Malaysia	150.308	0	150.308	2.53
Bangladesh	143.182	1.569	144.751	2.43
Germany	129.979	11.839	141.818	2.38
UK	98.447	16.314	114.761	1.93
Italy	104.271	2.443	106.714	1.79
France	77.998	15.220	93.218	1.57
Philippines	63.672	5.566	69.238	1.16
Australia	52.749	12.015	64.764	1.09
Other	459.030	52.906	511.936	8.61
TOTAL	5,756.215	192.268	5,948.483	100.00

Source Asian Development Bank Annual Report 1997

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 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. Similar to the World Bank, the ADB has a passive registration system for individual consultants, called DICON, Data on Individual Consultants. The ADB has a more complex passive registration system for consulting firms (as distinct from individual consultants) called DACON, Data on Consultants. DICON entries can be made via the internet or on a disk available from the Bank. DACON entries are still made via forms available from the Bank but an electronic means is under development.

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

As well as 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

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.

Technical Assistance Contracts by Country of Origin, 1996 - 97, US\$ million				
Member	Value 1996	% 1996	Value 1997	% 1997
USA	24.406	18.80	31.404	22.44
Australia	14.895	11.47	24.000	17.15
Canada	15.710	12.10	19.020	13.59
UK	26.073	20.08	15.301	10.93
Philippines	8.251	6.36	5.098	3.64
Netherlands	4.718	3.63	4.688	3.35
New Zealand	7.896	6.08	4.657	3.33
India	1.419	1.09	4.138	2.96
Hong Kong	1.257	0.97	3.668	2.62
Germany	1.989	1.53	3.484	2.49
Singapore	1.322	1.02	2.881	2.06
Other	21.880	16.85	21.601	15.44
TOTAL	129.816	100.00	139.940	100.00

Source Asian Development Bank Annual report 1997

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;
- identification of and liaison with appropriate ADB executives to investigate and collect further information on specific ADB projects as nominated by Australian companies;
- securing copies of available ADB documents relevant to specific project opportunities and forwarding them to Australia;

- arrangement of appointments for visiting Australian companies and organisations 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.

Similarly, Austrade representatives can provide such reports in the countries of the Executing Agencies. Austrade may apply a standard fee.

Company X (name withheld)

Company X has been involved in bidding for projects and consultancies with the World Bank and the ADB since 1984, and has won contract work in economic and social analysis, rural development forestry and the environment. It has subscribed to the organisations' information regarding opportunities for work to be able to identify and track projects and consultancies that are in its strategy.

Company X has found that the most beneficial way to win projects is to keep in contact with the project officers and their Directors in the organisation it is targeting. In some cases where it has procured work, officers have left the MDB and returned to Australia. These people have the networks to take up opportunities to win future work, and are a valuable resource. Company X also visited the organisations' head office or specific country office, and built up relationships with officers who were working on specific projects that it had targeted. For cost effectiveness, it paid an agent in the country where the organisation is located, though it was useful to visit the Executing Agency and the organisation's officer to seek out further information and market the company.

European Bank for Reconstruction and Development

The European Bank for Reconstruction and Development (EBRD) operates in those countries of Central and Eastern Europe, including the former Soviet Union, which are committed to multi-party democracy, pluralism and open market economies.

Based in London, the Bank's aim is to promote private and entrepreneurial initiative and foster the transition toward democracy and free market economies. It achieves these objectives through the provision of loans, equity investments, guarantees, advice and technical cooperation. Unlike other MDBs, the bulk of EBRD operations are private sector focused. Less than a quarter of the Bank's projects are publicly advertised.

In 1997, the EBRD lent approximately ECU2.3 billion for 143 projects. 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 we do not make contributions to the Bank's Technical Cooperation Fund, and as such, 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 still 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.

EBRD financing committed by sector 1997		
Sector	ECU Million	%
Manufacturing	640	27.6
Finance and business	591	25.5
Energy and power generation	497	21.5
Transport	214	9.2
Telecommunications	144	6.2
Commerce and tourism	99	4.3
Agriculture, forestry and fishing	49	2.1
Community and social services	29	1.3
Extractive industries	27	1.2
Other	26	1.1
TOTAL	2315	100.0

Source EBRD website.

Other Multilateral Development Banks

In the case of other MDBs, including 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 are very limited.

Overseas Economic Cooperation Fund (OECF)

The Japanese Government is one of the largest providers of financial assistance to countries of the developing world. Much of this Official Development Assistance (ODA) is used to finance projects relating to social and economic infrastructure development and is offered in the form of low interest long term loans. This project finance is delivered through the OECF and represents about 40% of Japan's overall ODA budget. The OECF provides loans directly to developing countries, and projects financed by these loans present opportunities for Australian companies.

The OECF lends across all regions of the world, with Asia accounting for some 77% of disbursements in 1996. Within Asia, Indonesia, China and India have the largest share of OECF projects.

The projects cover a wide range of sectors with the transport and power sectors receiving the most funding to date, although significant financing is also provided for irrigation, telecommunications and agriculture. Lending in the social sectors accounts for some 22% of total lending and includes projects ranging from education and sanitation through to the strengthening of administrative systems.

Given that the vast majority of OECF loans are untied the borrowing countries are required, in most cases, to undertake an international competitive bidding process to source services, equipment and works. The OECF's procurement rules are quite similar to those of the World Bank and are available in English on the OECF's website: <http://www.oecf.go.jp>. However, unlike other Development Banks, there is little readily available published information about forthcoming projects or opportunities. This information is best gained by maintaining contact with Austrade in Tokyo and Austrade's network in borrowing countries.

Like MDBs, an Executing Agency will be appointed by the borrowing government, and the Agency should be a focus for business to market products and services.

A firm's chances will be maximised by working with a Japanese partner or a firm from the borrowing country. While OECF funds are untied there would usually be considerable advantages in working with a Japanese partner. In deciding this, firms should consider their experience in the target country, the appropriateness of products and services and the experience of a potential partner.

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

This stage can take approximately one year.

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>).

This stage can take approximately one year.

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.

This stage can take three to six months.

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.

This stage can take one to four months.

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.

The project itself can last three years.

Stage Six: Project Supervision and Evaluation on Completion

When the project is completed, the Bank evaluates the project results.

The post-evaluation stage can take 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 on how to submit bids and proposals.

International Competitive Bidding

The MDBs have decided that their objectives of the procurement of goods, plants 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 forth 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, 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 unlikely to attract foreign competition. 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

Once firms have done 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 met and arrange all the appointments.
- Austrade is well positioned to offer tailored services like 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.

3. OPPORTUNITIES IN THE UNITED NATIONS AND ITS AGENCIES

Exporting to the United Nations

Total procurement by the United Nations and its agencies in 1997 was around US\$2.9 billion, across a wide range of goods and services. There are more than twenty UN agencies, based in New York, Geneva, Vienna, Rome, Copenhagen and elsewhere, and 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

Procurement in the area of peacekeeping is experiencing gradual reductions, and it is likely that it will be reduced further in the years to come, as UN involvement in such activities decreases. The UN has three mechanisms for purchasing goods and services used in UN peacekeeping operations: such purchases are made by procurement officers at its headquarters in New York; by member states through 'letters of assist'; or purchased locally by officers in the field. Of these three methods, the level of procurement in the field is rising at the expense of that originating from headquarters, consistent with the UN policy to delegate more autonomy to the field for local purchase. This means that in future, firms will do better by having contacts with local procurement officers rather than with contacts at the agency headquarters.

The United Nations Procurement Division (UN/PD) is primarily responsible for peacekeeping procurement activities.

UN Peacekeeping and Field Missions purchase:

- . logistical services
- . freight services
- . food rations
- . portable communication equipment
- . generators

- . heavy vehicles
- . air charter services
- . information technology
- . mine-clearing services

Humanitarian Assistance

There has been some decrease in procurement for humanitarian assistance purposes recently, due to greater stability in Rwanda/Burundi and the former Yugoslavia. However, over time this is a fairly stable source of procurement, though it can require short deadlines for bids (i.e. 72 hours) which can place Australia at a relative disadvantage because of time differences.

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

Procurement for development assistance purposes is enjoying the most consistent growth, especially over the long term. The growth in spending at the United Nations Office for Project Services, a primary development assistance agency based in Copenhagen, is currently 25% per year. Development assistance deals in promoting start-up industries in developing countries, and therefore high technology is not usually required or suitable. Works include infrastructure construction, agricultural development and education.

Economic development agencies purchase:

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

United Nations Agencies

The procurement process in the United Nations 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. This lack of a unified approach is the subject of reform proposals, discussed later.

This guide outlines some of the agencies and then provides a chart to assist business to match their industry to the agencies which are most likely to deal with them.

United Nations Children's Fund

The United Nation's Children's Fund (UNICEF) has a high profile in the Australian community and is one of the larger purchasers in the UN system, with total procurement for 1997 at US\$293.8 million. 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 bases its procurement activities in Copenhagen. A quarter of its goods are purchased through its warehouse there, with the remaining goods shipped directly from suppliers.

UNICEF requires the following procurement items:

- . vaccines
- . drugs and pharmaceuticals
- . information technology
- . motor vehicles, parts and accessories
- . hospital and medical equipment
- . classroom and lab 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 supply. Standard bidding procedures are followed at UNICEF.

For new suppliers, a key element of 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 web site, although the site is not as developed as those of other agencies' engaged in procurement. It is located at <http://www.unicef.org>

United Nations Procurement Division

The UN Procurement Division (UN/PD) 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 UN/PD procurement for 1997 was in excess of US\$309 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

Potential suppliers need to write to the Chief, Procurement Division and request inclusion in the Supplier Roster. Upon receipt and acceptance of the appropriate questionnaires, the firm's name will be added to the roster and be given equal consideration in the selection process. Contact Austrade for further information.

United Nations Development Program

The United Nations Development Program (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 is an important component in successful bids.

Food and Agriculture Organization

The Food and Agriculture Organization (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 FAO Procurement Service, indicating their interest in doing business. Austrade can pass on the relevant forms directly - call the Austrade hotline. Technical merit is an important consideration in winning FAO contracts, and the prominence of Italian suppliers shows the importance of being in regular contact with the FAO in obtaining Invitations to Bid.

United Nations Office for Project Services

The United Nations Office for Project Services (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 Organization

The International Civil Aviation Organization (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.

Firms wanting to bid for ICAO projects need to register. There are two categories for registration: equipment supplier and consultant. Firms are required to pay a US\$500 fee for registration in the first instance. Australian companies wanting to register should send a fax, providing contact details, to the ICAO contact listed, and registration forms will be sent in response.

World Health Organization

The World Health Organization (WHO), headquartered in Geneva, promotes disease prevention, immunisation campaigns, 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.

United Nations High Commissioner For Refugees

The United Nations High Commissioner for Refugees (UNHCR) 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
- . pharmaceutical products
- . water
- . building materials

Most procurement is still done centrally from the headquarters in Geneva, by the Supply and Transport Section, which keeps a roster of potential suppliers. 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. Suppliers who have a sufficiently strong local presence should approach fields offices directly.

World Food Program

The World Food Program (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.

United Nations Population Fund

The United Nations Population Fund (UNFPA) is concerned with a range of issues regarding population and reproductive health. A 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.

Selecting UN agencies most relevant for firms

With many different UN agencies purchasing a wide variety of goods and services, firms should choose which buyers match those products in which they have a comparative advantage. It is important to realise that companies cannot be involved in everything, and that firms would be better placed to concentrate their energies on two or three agencies, taking a strategic approach looking at the medium to long term. 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.

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 which 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.

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 attaining an Invitation to Bid. This can also assist companies in obtaining information about upcoming contracts and in expressing an interest in bidding for them.

Development Business is the United Nations Development Program newspaper most frequently used to advertise advance information. It is also available on the internet for a small fee. However, this periodical only announces development projects, and even then only the major projects. Assistance can also be found at the Inter-Agency Procurement Services Office web site at <http://www.iapso.org> which identifies larger projects, including peacekeeping operations.

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 1997 (US\$)				
Agency*	Goods	Services	Australian total	Agency total
ESCAP	3,700	12,300	16,000	1,720,000
FAO	369,010	-	369,010	66,380,000
IAEA	226,340	138,400	364,740	64,070,000
ICAO	88,460	-	88,460	34,840,000
ITU	57,030	-	57,030	38,930,000
NEX (UNDP)	5,590	-	5,590	361,950,000
PAHO	110	-	110	95,250,000
UN/DDSMS	86,000	-	86,000	24,190,000
UNESCO	9,000	-	9,000	50,980,000
UN/FALD	-	18,000	18,000	122,370,000
UNDP/IAPSO	40,340	-	40,340	61,360,000
UNFPA	384,000	-	384,000	72,920,000
UNHCR	336,360	-	336,360	97,990,000
UNICEF	1,398,050	-	1,398,050	293,890,000
UNIDO	4,000	320,000	324,000	57,980,000
UNOPS	37,750	672,190	709,940	285,310,000
UN/PD	-	54,500	54,500	309,460,000
WFP	11,602,610	-	11,602,610	582,510,000
WHO	220,520	-	220,520	123,270,000
Total	14,868,870	1,215,390	16,084,260	2,894,551,150
Australian Percentage	0.82%	0.11%	0.56%	

Source: UN Annual Statistics Report 1997, Procurement of Goods and Services.

Agency total includes agencies not represented above, where Australian firms have not acquired procurement contracts. *See Glossary for explanation of names.

Government Assistance

Austrade is able to assist Australian enterprises by business-matching: pairing business products and services with the UN's procurement needs. If appropriate, Austrade can assist business 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 goes into 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 on an even playing field 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 General Assembly has passed several resolutions on procurement reform, calling for a procurement manual for all agencies, guidelines on Invitations to Bid, amended financial rules and regulations and a definition of exigency needs (ie. justifications by agencies when departing from the standard procedures, eg. due to time constraints). There is also a call to make the supplier roster more representative of the membership on the UN.

The Secretariat of the United Nations is currently looking at placing all Invitations to Bid on the UN homepage, and publishing all commercial opportunities in *Development Business*, while reviewing the structure of the Procurement Division. These steps have yet to be implemented.

4. 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 unspoken guidelines on how to operate in inaccessible areas of the world, devoid of 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.

When MDBs and UN agencies are determining to whom they should award contracts, companies are more likely to be successful if they target 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 which appear willing to work at establishing long term relations with procurement officers.

The following information contains 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 your efforts 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 Bank contracts can benefit from working first on AusAID 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 (Australian Agency for International Development) 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' web site <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 for 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.

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.

5. CONTACTS

Multilateral Development Bank Contacts

World Bank Business Partnership Centre
Room D11-011, 1818 St NW
Washington DC 20433
United States
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
Washington DC 20433
United States

The GEF Secretariat
1818 H Street, NW
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Internet: <http://www.gefweb.org>

Asian Development Bank
6 ADB Avenue
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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.

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Tel: +39 6 6513 2365
Fax: +39 6 5228 2847

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
United States
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 21131 4841
Fax: +43 1 21131 6815

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:

Development Business
PO Box 5850, Grand Central Station
New York, NY 10163-5850
United States
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://dbserver1.worldbank.org>

A very useful publication which is updated annually a publication of the United Nations Association of the United States of America entitled *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 great 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.

The United Nations Association of the United States of America
801 Second Avenue
New York, NY 10017
United States
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
Tel: (02) 9390 2714
Fax: (02) 9390 2083

Austrade Washington
Australian Embassy
1601 Massachusetts Ave NW
Washington DC 20036
United States
Tel: +1 202 797 3000
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
Tel: 02 6261 2484
Fax: 02 6261 2465

AusAID
GPO Box 887
Canberra ACT 2601
Tel: 02 6206 4000
Fax: 02 6206 4880
<http://www.ausaid.gov.au>

The Department of Defence has an Exports and International Programs branch which 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.

Executive Officer,
Exports and International Programs,
Department of Defence
Tel: 02 6266 4526
Fax: 02 6266 2260

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 Organization
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 Organization
ICB	International Competitive Bidding
IDA	International Development Agency
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
ILO	International Labour Organization
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)
OECF	Overseas Economic Cooperation Fund
ODA	Official Development Assistance
PAD	Project Appraisal Document
PAHO	Pan-American Health Organization
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 Organization
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 Organization
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 Organization