

DOING BUSINESS WITH THE UNITED NATIONS

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Many U.S. companies may be unaware that the United Nations (UN) and its related agencies represent between \$2-3 billion in potential sales each year.

In order to maintain activities at its headquarters and other offices around the world as well as to help fulfill its humanitarian mission, the UN requires a wide variety of goods and services. This article briefly describes opportunities within the United Nations and how to pursue them.

The United Nations is a large organization comprised of 29 various member organs and specialized agencies. These include the United Nations Secretariat, United Nations Children's Fund (UNICEF), the United Nations Development Programme (UNDP), World Food Programme (WFP), Food and Agriculture Organization (FAO), Universal Postal Union (UPU), World Health Organization (WHO) and International Atomic Energy Agency (IAEA).

THE UN MARKET AND U.S. PROCUREMENT

Each organ and specialized agency has its own diverse needs and in many cases its own rules and regulations with respect to procurement. Some products such as computers, office supplies, and furniture are universally purchased while other goods and services including medicine, 4x4 vehicles, food, engineering services, and aircraft leasing may be required by only specific UN offices and agencies. Procurement may be done from the headquarters,

from field offices, or a combination of both.

Needless to say, the market is large. According to the United Nations System Annual Statistical Report, published by UNDP, in 1999, the UN system procured goods and services totaling over \$3.35 billion. Approximately 63 percent of the purchases were for goods with the remainder for services. The top five UN agencies in terms of procurement in 1999 were the WFP, UNDP (through direct and national execution), the United Nations Procurement Division, UNICEF and the Pan-American Health Organization (PAHO).

U.S. companies do well in terms of UN procurement. In fact, in 1999, the United States ranked first in terms of supplying UN organs and agencies, followed by Italy, France, Denmark and the United Kingdom. That year, U.S. companies supplied approximately \$389.6 million in goods (\$247.2 million) and services (\$142.4 million) or 11.6 percent of the total. While much of this may be to fill the needs of headquarters operations in New York City, it clearly does not represent all products and services supplied by U.S. companies.

Goods most supplied, in 1999, by American firms included air traffic control equipment, computer equipment, electronic equipment, medical supplies, ozone depleting substances phaseout equipment, and pharmaceuticals. That same year, services most supplied by U.S. companies included construction consultancies, environmental management consultancies, engineering consultancies, information technology consultancies, insurance

services, management advisory services, and printing and publishing services.

PURSuing UN OPPORTUNITIES

So how do you pursue UN opportunities? In a general sense, doing business with the United Nations is no different than doing business with any other government or international entity; in that, to be successful, you need to know how the organization works, its procurement rules and regulations, and how best to maneuver your way through the procurement maze. Of course, making contacts is also key.

A first step is deciding which UN agencies may be in need of your goods and services. One excellent source in which to do this is, *The United Nations System: General Business Guide for Potential Suppliers of Goods and Services*. This 148-page book, published by the United Nations Development Programme, details UN agencies and organs that procure goods and services. Within each section, you will find a brief description of the organization, its major procurement needs, how it procures, and contact information. The book also includes a section on common guidelines for procurement by UN organizations, a sample of the United Nations Common Supply Database Registration Form, and general procurement terms and conditions. It can be downloaded, free of charge, on the Internet at www.iapso.org/indhold/pdf/gbg_master.pdf.

Once you find an agency that you believe could make use of your goods and services, it is important to under-

stand exactly how the procurement process of that respective agency works. The UN believes that procurement should occur in a transparent, fair, and open manner, and that, depending on the size of the contract, this might require international competitive bidding. Organizations are looking for economy, effectiveness and the best value for their money when buying goods and services to fulfill their missions. Furthermore, because the United Nations is an institution made up of member countries, companies from all member countries must have the opportunity to participate in supply its needs.

What are the thresholds at which a particular agency must use international competitive bidding procedures? Does the agency primarily procure at its headquarters or field levels? Who are the appropriate contacts with respect toward procurement? Does a company need to register with the respective organ to supply its products? How does one get paid? These questions are important to think about prior to selling to United Nations agencies.

The UN has developed common guidelines for procurement although these may vary slightly from agency to agency. According to The United Nations System: General Business Guide for Potential Suppliers of Goods and Services, competitive bidding is normally required for purchases of over \$30,000. For purchases under that amount, a procurement officer can select a supplier after three quotes have been taken. For purchases of \$100,000 or more, international competitive bidding is the norm.

Some UN agencies may require or encourage you to register your company and the goods and services it can provide. Twelve of them have developed the United Nations Common Supply Database [UNCSD] (www.uncsd.org). For an annual fee of \$100, companies can register their interests and capabilities on this database. The agencies, in turn, have use of

this tool when looking for potential suppliers of goods and services (In some cases, agencies participating in the UNCSD may also maintain their own registration databases for procurement needs). Being registered, however, does not guarantee that you will be notified of upcoming procurement or invited to bid on it.

Of course, it is always important keep abreast of upcoming procurement opportunities of the agencies in which you are interested in supplying. Many UN agencies publish information on their websites about procurement. Depending on the site, this may include general information about the agency's procurement needs and requirements, contact information, expressions of interest or invitations to bid, and proposed upcoming tender offers.

Another source for information on upcoming UN opportunities is United Nations Development Business. UN Development Business is published both in print (24 times per year) and on the Internet (www.devbusiness.com). In addition to procurement notices from UN agencies, one can also find notices from the various multilateral development banks as well as the monthly operational summaries (pipelines) of the World Bank and Inter-American Development Bank and the quarterly operational summary of the African Development Bank.

As with any business transaction, developing contacts with procurement officials within the respective agency is very important. They can answer questions that you may have about upcoming procurement or about the organization's rules and regulations. In many cases, field offices, following designated guidelines, have the authority to make purchases under a certain dollar limit. Depending on the needs, American firms may want to contact the field offices directly or use their respective agents and distributors where the procurement is being undertaken.

If you are invited to bid on a particular tender or are expressing interest, it is very important that you exactly follow that which is requested in the procurement notice or bidding documents. Not providing that which is requested can lead to disqualification. If you are asked to submit a bid, but decide not to, let the agency undertaking the procurement know. If you do submit a bid, make sure that it is submitted on time and if the bid opening is public you or your agent should try and be present.

\$2-3 billion in UN needs for goods and services each year is quite a lot. Being successful requires that you diligently undertake research, develop contacts and pursue leads. Those who establish relationships and consider themselves in for the long-term rather than for a quick sale continue to be successful time and time again. ■

Selected UN Agencies and Helpful Sites on the Web

The United Nations—www.un.org

United Nations Common Supply Database—www.uncsd.org

United Nations Development Business—www.devbusiness.com

United Nations Procurement Division—www.un.org/depts/ptd

United Nations Procurement Section, Geneva—www.unog.ch/pts/pts.htm

UNDP, Inter-Agency Procurement Services Office—www.iapso.org

Pan-American Health Organization—www.paho.org

United Nations Office for Project Services—<http://unops.org>

United Nations Children's Fund—www.unicef.org

United Nations Development Programme—www.undp.org

United Nations High Commissioner for Refugees—www.unhcr.ch/business/main.htm

World Food Programme—www.wfp.org