Doing Business with UNIDO

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The Mandate of UNIDO: Inclusive and Sustainable Industrial Development (ISID)

Advancing Economic Competitiveness
- Advancing economic and industrial growth

Creating Shared Prosperity
- Advancing poverty eradication and inclusiveness

Safeguarding the Environment
- Advancing environmentally sustainable growth

Management Priority for 2016
- Promoting Green Industry and a Circular Economy
UNIDO’s Environment Portfolio in 2016

Total Budget of Ongoing Projects by Thematic Priority

- GC3 Safeguarding the Environment: $703,688,283
- GC1 Creating Shared Prosperity
- GC2 Advancing Economic Competitiveness
- Others
UNIDO’s Department of Environment: Circular Economy

UNIDO promotes a model of industrial development that is **inclusive and sustainable**

The Department of Environment helps transform industries into contributors to the circular economy by:

- Reducing or eliminating the production of pollution or waste
- Re-using resources or ensuring their safe re-absorption by the environment

A circular economy is restorative and regenerative by design
UNIDO’s Montreal Protocol Programme: 
Partner in Promoting Climate Change Mitigation

UNIDO is an implementing agency of the Climate and Clean Air Coalition (CCAC). UNIDO has already submitted proposals focusing on the elimination of HFCs for the consideration of the working group. One proposal (retail sector) has been approved:

- Phase-out ODS
- Avoid high-GWP alternatives; and
- Provide energy savings in the range 13-18%

Projects have also been approved by the Global Environment Facility (GEF) to promote energy efficiency in the Room Air Conditioning (RAC) manufacturing and servicing sectors (fishery/food processing), transitioning away from HCFCs and leapfrogging HFCs.

UNIDO is constantly investigating best alternatives in the refrigeration sector, while partnering with the private sector → natural refrigerants.

Potential partnership with bilateral partners.
Looking Ahead: HFC Phase-Out

Growing concern: rapidly multiplying air conditioning and refrigeration installations especially in developing countries → rapid growth in the volume of HFCs being used, since they are not controlled in these countries. (GWP is 2,000-4,000 times the GWP of CO2).

As an Implementing Agency of the Montreal Protocol, UNIDO has an important role in assisting developing countries to comply with the phase-out targets of the Montreal Protocol.

In order to do so, UNIDO helps to develop, implement and manage investment projects that deal directly with the conversion of industrial sectors as well as institutional strengthening activities.

UNIDO has extensive experience and technical expertise in the conversion of sectors that use HFCs.
UNIDO’s Montreal Protocol Programme: Countries Assisted
Distribution of UNIDO Montreal Protocol Projects

Notes: Analysis based on a sample of 190 Multilateral Fund (MLF) supported projects representing the larger projects from a total project portfolio of 1,008 MLF projects; the sample represents 66 per cent of the MLF funds received.
CTCN Mandate, Services and Structure

**Mandate**

CTCN mission is “Stimulating technology cooperation and enhance the development and transfer of technologies to developing country Parties at their request”

**Services**

1. Technical assistance to developing countries
2. Knowledge sharing and training
3. Fostering collaboration on climate technologies (including linking climate technology projects with financing opportunity”)

**Structure**

CTCN hosted by UNEP in collaboration with UNIDO and supported by 11 partner institutions with expertise in climate technologies
Climate and Technology Centre & Network (CTCN): Consortium
Climate Technology Centre & Network (CTCN): National Designated Entities (NDEs)

147 NDEs have been selected by their countries (as of May 2016)
CTCN Services: Technical Assistance
CTCN Network

The CTCN builds bridges between governments, business and climate technologies: the private sector is fundamental in developing climate resilient, low carbon societies. Through its Network, the CTCN mobilizes policy and technical expertise from academia, civil society, finance and the private sector to deliver technology solutions, capacity building and implementation advice to developing countries.

• As a UNFCCC global mechanism, CTCN provides private sector actors with a transparent and accountable platform to operate in new markets and to showcase successes;
• Engaging with CTCN enables private sector actors to be informed and updated on emerging global governance and issues under the UNFCCC with particular relevance for climate technologies;
• The CTCN can provide you with insights into emerging national and local regulations and policies for the establishment of new markets;
• The CTCN provides an arena for multi-stakeholder cooperation on innovation;
• Adaptation and resilience, as an emerging and growing market, are a strategic focus of the CTCN;
• The CTCN is a key player in assisting developing countries to set a course towards a low-carbon future.
CTCN Network

Membership benefits include:

Connection
• Network with national decision makers, thought leaders, and other Network members to expand your partnership opportunities and learn about emerging activities and areas of practice

Commercial opportunities
• Access competitive bidding for delivery of CTCN technical assistance services to developing countries

Information exchange
• Keep updated on the latest information and share what you have learned through CTCN events and via the CTCN’s online technology portal

Visibility
• Broaden your organization or company’s global reach by engaging in new technology projects, presenting tutorials/workshops on your fields of expertise to peers and developing country stakeholders. Showcase relevant experience, events, reports and tools

For more information, please visit: http://ctc-n.org/network
Private Financing Advisory Network (PFAN)

Multilateral public-private partnership that nurtures low carbon, climate resilient projects by bridging the gap between investors and clean energy entrepreneurs and project developers

Advice and Guidance
- financial structuring
- sourcing of equity and debt
- business growth
- strategy, preparation and presentation of business plans

Matching Projects with Investors
- selected projects introduced to investors financing forums
- direct introduction to network investors and other potential investment sources

63 Projects Closed
- USD 680 million raised
- 2.3 m tonnes CO2e reduction pa
- High level of financial leverage for donors: 1 / 80
- 297 projects in the pipeline
- representing USD 6.9 billion of investments
Global Environment Facility: UNIDO as Implementing Agency

UNIDO provides assistance in the following areas:

✓ Resource-efficient and low-carbon industrial production;
✓ Clean energy access for productive use;
✓ Cleaner production, chemical management and promoting of green industries; and
✓ Capacity-building for the implementation of multilateral environmental agreements

Focus areas:
✓ Climate Change Mitigation (IEE and RE)
✓ Climate Change Adaptation (Resilient Value Chains and Industries)
✓ Persistent Organic Pollutants (POPs)
✓ Sound Chemicals Management (Mercury, e-waste)
✓ Ozone Depleting Substances (ODS)
✓ International Waters (IW)
Most Frequently Procured Goods

- Ozone depleting substance replacement and phase-out equipment (in the refrigeration, solvents, aerosols and foam manufacturing sector);
- Equipment for the replacement of methyl bromide measuring, checking & testing instruments;
- Laboratory, calibration and testing equipment;
- Agricultural produce and materials;
- Equipment for textile apparel & leather production;
- Wood and timber products;
- Vocational toolkits;
- Chemicals;
- Hydrogen production and storage;
- Agricultural & food processing machinery and equipment;
- IT HW & SW equipment and supplies;
- Building and construction materials and supplies;
- Renewable and rural energy systems and infrastructure
- Motor vehicles, parts, accessories;
- Leather and leather products, footwear;
- Office furniture and accessories;
- Engines, turbines and similar machinery and equipment (hydroelectric, others);
- Security and safety equipment;
- Wind mills and motors;
- Solar energy systems and related equipment;
- Pumps; compressors, valves, etc.;
- Air conditioning equipment, controls and machinery;
- Water treatment systems, equipment and machinery;
- Ventilation systems and equipment;
- Mining, quarrying and construction machinery and equipment;
- Recycling and waste management systems, equipment and machinery;
- Design, publication and training materials;
- Telecommunications equipment;
- Fishing testing equipment;
- Metrology equipment;
Most Frequently Procured Services

- Phase-out ozone depletion in refrigeration, foam, aerosols and solvents sector (ODS, POPS)
- Phase-out of methyl bromide
- Trade promotion and technology information exchange
- Standardization and laboratory accreditation
- Energy Policy and management (electricity and alternative systems)
- Advisory services for environmental protection
- Water management services
- Training
- Engineering design, research and development;
- Agro related services (textile, leather, fisheries, food...)
- Revolving credit support facilities;
- Office leases, maintenance and repair services;
- Construction works and site management;
- Technical assistance and advisory services;
- Air conditioning work and maintenance;
- Environmental engineering and science;
- Thematic mapping and evaluation services;
- Trade and business related services;
- Maintenance and repair services;
- Design, publication and advertising services;
- Telecommunication services
- Financial advisory services and insurance;
- Freight, transportation, storage and logistics services;
- Audit and accounting services;
- Laboratory testing and calibration services;
- Translation services;
Most Frequently Procured Services

- Electrical/mechanical installation works;
- Consulting/advisory services on environmentally sound technology and practices;
- Technology assessments and information exchanges;
- Repair and maintenance services;
- Consulting/advisory services on agriculture produce;
- Consulting/advisory services related to renewable energy and environmental systems and infrastructures;
- Technology conversion, retrofit and rehabilitation projects;
- Energy policy and management;
- Environmental management related advice and consulting services;
- Consulting/advisory services related to environmental protection;
- Waste disposal related advice and services;
- Cleaner technology promotion services;
- Water pollution related services;
- Industrial surveys and consulting services;
- Management advice and consultancy services;
- Training and development services;
- Consulting/advisory services related to nanotechnology;
- Security services;
- Catering services;
- Conference services;
- Business seminars and conferences;
- Professional & vocational training and workshops
- IT SW and internet related services.
Top Ten Goods/Services Procured by UNIDO in 2013-2015

Top Ten Goods/Services Bought by UNIDO From 2013-2015 (EUR)
Top Goods and Services Procured From The Netherlands

**Goods**
- Industrial Refrigerators
- Power plants
- Gas analyzers and monitors
- Hydrotreating machinery
- Heavy equipment components
- Weight measuring instruments
- Separation machinery
- Body tools

**Services**
- Air pollution
- Business intelligence consulting services
- Mechanical engineering
- Environmental reporting services
- Freight forwarders services
- Customs administration and compliance
- Advertising agency services
- Manufacturing technology research and development services
**eProcurement Workflow**

(Shopping Cart)
- Records of previous procurements in SRM should allow easier planning of costs and list of items to create Shopping Cart ("what to buy")

For procurements > € 5,000

Bidding (RFx Event)
- Created from details of Shopping Cart; Bidding process ("how to buy").

Evaluation (RFx Event)
- To the extent possible, to be carried out within the RFx Event;
  - Clarification notes, responses, etc interactive with all potential bidders;
  - Based on system input, reports on comparison and evaluation (vendor comparisons) are generated out of system and can be exported to excel.

For procurements ≤ € 200,000

Purchase Order Approval
- Fast Track (up to € 5,000): SAP SRM automatically generates Purchase Order (PO) from the Shopping Cart;
  - Data from RFx Event will be used to populate PO in PDF flexi-field format. Some of the fields will be editable while the majority will be standard.

For procurements > € 200,000

Award
- Procurement case submitted to UNIDO Procurement Committee for recommendation and Managing Director, PSM, for approval.

Contract/Purchase Order Management (TO BE)
- System supported creation of Contract/PO documents;
  - System generated reports on deliverables, reports, outstanding payments;
  - Planned freight forwarding services LTA to reduce shipment costs and allow for monitoring and tracking of shipments;
  - TC cargo insurance LTA to insure all equipment transportation world-wide to final project site;
  - System embedded goods/service receipt, invoice receipt and payment;
  - Electronic banking services LTA (covering approximately 60 developing countries);
  - Contract terms and conditions toolbox;
  - Deliverable monitoring.

To the extent possible, to be carried out within the RFx Event;
Clarification notes, responses, etc interactive with all potential bidders;
Based on system input, reports on comparison and evaluation (vendor comparisons) are generated out of system and can be exported to excel.

Procurement case submitted to UNIDO Procurement Committee for recommendation and Managing Director, PSM, for approval.
UNIDO’s eProcurement Portal

Please visit: https://procurement.unido.org/.
## UNIDO’s eProcurement Portal: Procurement Notices

<table>
<thead>
<tr>
<th>Description</th>
<th>Country</th>
<th>Date</th>
<th>Time</th>
<th>Type</th>
<th>Reference</th>
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</thead>
<tbody>
<tr>
<td>Training of the accreditation assessors of the Nigeria National Accreditation Service (NiNAS) in Nigeria</td>
<td>NIGERIA</td>
<td>13.05.2016</td>
<td>17:00:00 CET</td>
<td>RFP (1 env)</td>
<td>7000001652</td>
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<tr>
<td>Development and Implementation of a Concept for Modern Thematic Gardens</td>
<td>The Kingdom of Morocco</td>
<td>13.05.2016</td>
<td>17:00:00 CET</td>
<td>RFP (1 env)</td>
<td>7000001647</td>
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<td>Establishment of a National Solar Thermal Roadmap</td>
<td>Malaysia</td>
<td>13.05.2016</td>
<td>17:00:00 CET</td>
<td>RFP (1 env)</td>
<td>7000001620</td>
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<td>Provision of Services Related to Fisheries Resource Assessment and Management</td>
<td>South Sudan</td>
<td>13.05.2016</td>
<td>17:00:00 CET</td>
<td>RFP (1 env)</td>
<td>7000001595</td>
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<tr>
<td>ODS alternatives survey in Nicaragua</td>
<td>Nicaragua</td>
<td>16.05.2016</td>
<td>08:00:00 CET</td>
<td>Request for Quotation</td>
<td>7000001649</td>
</tr>
<tr>
<td>PROVISION OF EVENT MANAGEMENT SERVICES FOR UNIDO PROJECT</td>
<td>Egypt</td>
<td>16.05.2016</td>
<td>17:00:00 CET</td>
<td>RFP (1 env)</td>
<td>7000001593</td>
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<tr>
<td>RAC Taining Equipment for DPR Korea</td>
<td>Democratic People’s Republic of Korea</td>
<td>17.05.2016</td>
<td>08:00:00 CET</td>
<td>Request for Quotation</td>
<td>7000001664</td>
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<td>Supply of Food Drying Equipment</td>
<td>Republic of Armenia</td>
<td>17.05.2016</td>
<td>17:00:00 CET</td>
<td>Inv. to Bid (1 env.)</td>
<td>7000001648</td>
</tr>
<tr>
<td>Recovery, recycling and refrigeration tools/equipment.</td>
<td>Niger</td>
<td>17.05.2016</td>
<td>17:00:00 CET</td>
<td>Inv. to Bid (1 env.)</td>
<td>7000001634</td>
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<tr>
<td>Provision of Services for the Implementation of coffee quality improvement activities in Dello Mena, Bale Zone, Oromia Region</td>
<td>The Federal Democratic Republic of Ethiopia</td>
<td>18.05.2016</td>
<td>17:00:00 CET</td>
<td>RFP (1 env)</td>
<td>7000001651</td>
</tr>
<tr>
<td>Provision of Services for the Implementation of coffee quality improvement activities in Aletawondo Woreda, Sidama Zone, SNNP Regio</td>
<td>The Federal Democratic Republic of Ethiopia</td>
<td>18.05.2016</td>
<td>17:00:00 CET</td>
<td>RFP (1 env)</td>
<td>7000001653</td>
</tr>
<tr>
<td>Consultancy Services related to Multimedia and Conference Systems Projects in the Vienna International Centre (VIC) on a call-off</td>
<td>Austria</td>
<td>19.05.2016</td>
<td>16:00:00 CET</td>
<td>RFP (1 env)</td>
<td>7000001646</td>
</tr>
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<td>Development and Implementation of an Eco Quartier concert</td>
<td>The Kingdom of Morocco</td>
<td>19.05.2016</td>
<td>17:00:00 CET</td>
<td>RFP (1 env)</td>
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UNIDO’s eProcurement Portal: Bidder Registration

1. Click on “Request Bidder Account”

2. The bidder registration form will pop up. Fill out all information and submit.
ERP Supported Communications with Bidders
Average Procurement Timelines

Example: Integrated Food Security Project in Kassala State, Sudan

Shopping Cart review and approval =>
RFx Event publication (3 days)

Bidding period (18 days)

7 offers received and evaluated (5 days)

Lowest cost, technically acceptable offer
=> € 21,500 awarded to
Earthmoving Services Limited, Great Britain

Acceptance of offer => Approval and signing of Purchase Order(3 days)

Purchase Order approval => Confirmation approval (34 days)

**Total time from requirement to PO confirmation: 63 days**
Forms of Collaboration with UNIDO

Partnerships:

Which Type of Organization should Companies Normally Adopt?
- Sub-Contracting or Consortia

What are UNIDO’s Rules on Collaborations With Local Business Partners?
- Please refer to the Instructions to Bidders section in the RFx Event, requiring bidders to specify in their Offers:
  - the names and qualifications (including description of activities, number of personnel employed, references to the clients and completed projects) of the proposed sub-contractor(s) and/or equipment manufacturers, if any, and the extent and nature of such sub-contracting and/or equipment
Sub-Contracting

Most common form of collaboration among companies dealing with UNIDO:

UNIDO concludes contract with one company ("the Contractor")

Contractor concludes individual contracts with sub-contractors

- Sub-contractors need to be indicated in the Technical Bid which will become part of the Contract under consideration;
- In case of non-performance, UNIDO only deals with the Contractor, not with sub-contractors.
Consortia

In principle, permitted by UNIDO – and due to the complexity of procurement cases increasingly applied.

Requirements:

• Bidders need to provide written declaration indicating:
  - members of consortium
  - nomination of the leading company with whom contract would be signed
  - purpose of establishment of a consortium
  - depending on the ‘form’ of a consortium attach all ‘legal’ documents

• Once declaration has been received and accepted, separate bids by individual member(s) of the consortium are not permitted and may be disregarded.
UNIDO Best Practice Supply Chain Management

Critical Services/Goods
- Objective: Supply Risk Reduction
- Supply Risk: High
- Relative Expenditure: Low
- Easy to secure supply & low relative expenditure.
- Low value: printing, design services, stationary, consumables (fuel etc.), spare parts etc.

Routine Services/Goods
- Objective: Transaction Cost Reduction
- Supply Risk: Low
- Relative Expenditure: Low
- Easy to secure supply & low relative expenditure.
- Low value: printing, design services, stationary, consumables (fuel etc.), spare parts etc.

Strategic Services/Goods
- Objective: Volume Discounts
- Supply Risk: High
- Relative Expenditure: High
- Cost reductions and discounts: established procurement collaborations
- High value: BMS repair & maintenance contracts, vehicle supply contracts, lease agreements, IT, laboratory equipment, agribusiness equipment, etc.

Leverage Services/Goods
- Objective: Trade-off
- Supply Risk: High
- Relative Expenditure: Low
- Cost reductions and discounts: established procurement collaborations
- High value: BMS repair & maintenance contracts, vehicle supply contracts, lease agreements, IT, laboratory equipment, agribusiness equipment, etc.
Procurement and Innovative Solutions

- Procurement at the right price;
- Balance customer requirements with market readiness and value for money;
- Open competition: Once size fits it all?
- Beware of over-specified requirements;
- Limit your terms and conditions to risks relevant to the type of procurement concerned [time of delivery, warranty, SLA, etc];
- Adapt, as far as you can, to vendor conditions;
- Adapt, as far as possible, to market-ready products and services;
- You get the right prices only when customers and providers understand each other;
- Right size customer versus right size provider;
- How important is it for the provider to have you as a customer?
- Long term relationship;
- Cultural affinities;
- Seasonal trends;
- Economic cycles.