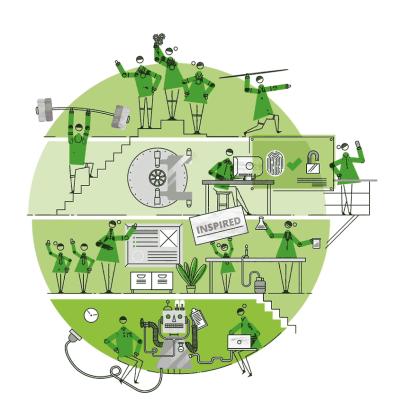
Deloitte.



United Nations Procurement and Partnerships

Why, where, and how should Japanese business leverage procurement with the United Nations By Rui Figueiredo

Overview The speaker



Senior Manager and United Nations Account Lead SEA

I have more than 8 years of experience working with the United Nations in various areas such as capacity building, training, audit, and monitoring & evaluation, among others. For the last 3 years I have been in charge of the United Nations Account for Deloitte in Southeast Asia. Through my experience in supporting UN Country Teams on the ground, I have developed a thorough understanding of the organization's culture, vision, procurement procedures and processes.

I joined Deloitte from Switzerland and specialize in Strategic Governance and Risk Management. I have four university degrees, including BSc in Engineering and a MsBA in Management of Services and Engineering.

Today in my agenda I will help you to answer 6 strategic questions:

- 1. What is the United Nations (UN) known for?
- 2. What is the advantage of working with the UN?
- 3. Where to play in Southeast Asia?
- 4. How to respond to the demand?
- 5. How to go beyond procurement?
- 6. How to achieve sustainable business?

Overview

Impact of the United Nations

Supplies Coordinates Protects and Fights extreme Deploys 117,000 vaccines to \$22.5 billion promotes poverty, peacekeepers in 45% of the appeal for the human rights helping improve 15 operations on world's children, globally via 80 the lives of more humanitarian 4 continents to helping to save needs of 93.5 treaties & than 1.1 billion 3 million lives provide peace million people declarations people per year Works with 195 Uses diplomacy Supports Assists and Provides food nations to hold maternal to prevent protects 65.3 and assistance health, helping conflict: assists million people the rise in to 80 million in 67 countries a 1M women per fleeing war, people in 80 year with their month overcome famine and temperature countries below 2°C pregnancy risks elections Source: United Nations Department of Public Information (2017)

Overview

Deloitte operating model with United Nations

We leverage the scale of Deloitte's global network of member firms to collaborate and to support the UN where it is needed.

This network is comprised of over 286,000 professionals, working out of 744 offices, in over 158 countries across the globe; all acting as "One Firm" to deliver a single standard of quality and service consistency throughout an engagement.

These firms bring world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex challenges.

Our experience also provides those within our network with rich insights into the latest trends, solutions, and challenges and helps us to keep our clients informed and ahead of risks.



Deloitte in numbers



286,000
professionals located in over 158 countries in 744 offices



Global revenue in excess of US43.2 billion



Largest professional services organisation in the world



70,000 Deloitte professionals volunteering



Humanitarian action 50+ Humanitarian organisations

supported



Total volunteer and pro bono work \$141M



Programme management costs \$12M



Total donations **\$75M**

Introduction

What is the United Nations known for?



SUSTAINABLE GEALS DEVELOPMENT



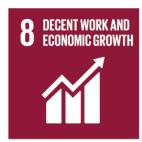


















GENDER EQUALITY













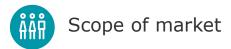


What is the advantage of working with the UN?

What is the advantage of working with the UN?

The United Nations procurement process reduces market entry risks inherent with expanding to developing markets.





Robust established infrastructure

Embedded market expertise

Centralized procurement vehicle

Predictable demand

Transparent tendering system

Global opportunities

The UN procured around 380mn. of goods and services in 2017 in SEA

Total expenditure (2017)



Goods: ~ \$182 mn.



Services: ~ \$198 mn.

#	Туре	Category (top 7)	Total PO Value	% (all categories)
1		Management and Business Professionals and Administrative Services	\$57,976,636	15.2%
2		Food and Beverage Products	\$50,711,513	13.3%
3		Pharmaceuticals incl. Contraceptives and Vaccines	\$40,890,220	10.8%
4		Transportation and Storage and Mail Services	\$28,408,968	7.5%
5		Power Generation and Distribution Machinery and Accessories	\$26,112,596	6.9%
6		Travel and Food and Lodging and Entertainment Services	\$20,823,501	5.5%
7		Building and Facility Construction and Maintenance Services	\$20,271,386	5.3%
		Total	\$245,194,820	64.5%

Note

^{1.} Countries included in this analysis are Cambodia, Indonesia, Lao P.D.R., Malaysia, Myanmar, Philippines, Thailand, Vietnam.

^{2.} Values might not add up due to rounding.

Spending within the top 7 categories is highly concentrated

UN expenditure (2017)

1. Management and Business Professionals and Administrative Services

#	Category	Total PO Value	%
1	Business administration services	\$22,895,705	39.5%
2	Real estate services	\$10,359,678	17.9%
3	Management advisory services	\$9,479,188	16.4%
4	Marketing and distribution	\$4,917,399	8.5%
5	Human resources services	\$1,986,251	3.4%
6	Legal services	\$146,820	0.3%
7	Public relations and professional communications services	\$99,967	0.2%
8	Trade policy and services	\$413	<0.1%
9	Unclassified	\$8,091,214	14.0%
	Total	\$57,976,635	100%

Note:

21 May 2019

Source: Annual Statistical Report on United Nations Procurement (2018)

2. Food and Beverage Products

#	Category	Total PO Value	%
1	Edible oils and fats	\$24,906,005	49.1%
2	Cereal and pulse products	\$21,275,617	42.0%
3	Fresh vegetables	\$2,417,373	4.8%
4	Nutritional supplements	\$1,888,680	3.7%
5	Seasonings and preservatives	\$71,663	0.1%
6	Nuts and seeds	\$53,372	0.1%
7	Dairy products and eggs	\$37,576	0.1%
8	Prepared and preserved foods	\$21,073	<0.1%
9	Beverages	\$16,772	<0.1%
10	Bread and bakery products	\$13,810	<0.1%
11	Chocolate and sugars and sweeteners and confectionary products	\$6,693	<0.1%
12	Canned or jarred organic fruit	\$2,739	<0.1%
13	Meat and poultry products	\$87	<0.1%
14	Fresh fruit purees	\$47	<0.1%
15	Seafood	\$8	<0.1%
	Total	\$50,711,515	100%

^{1.} Values might not add up due to rounding.

Spending within the top 7 categories is highly concentrated – cont.

UN expenditure (2017)

3. Pharmaceuticals incl. Contraceptives and Vaccines

#	Category	Total PO Value	%
1	Estrogens and progestins and internal contraceptives	\$11,566,194	28.3%
2	Immunomodulating drugs	\$1,383,971	3.4%
3	Amebicides and trichomonacides and antiprotozoals	\$79,381	0.2%
4	Hormones and hormone antagonists	\$26,866	0.1%
5	Central nervous system drugs	\$6,379	<0.1%
6	Unclassified	\$27,827,428	68.1%
	Total	\$40,890,219	100%

4. Transportation and Storage and Mail Services

# Category	Total PO Value	%
1 Mail and cargo transport	\$12,852,435	45.2%
2 Passenger transport	\$7,239,786	25.5%
3 Transport services	\$6,347,694	22.3%
Transportation repair or maintenance services	\$289,091	1.0%
5 Material packing and handling	\$257,507	0.9%
6 Storage	\$192,561	0.7%
7 Unclassified	\$1,229,895.24	4.3%
Total	\$28,408,969	100%

Note:

^{1.} Values might not add up due to rounding.

Spending within the top 7 categories is highly concentrated – cont.

UN expenditure (2017)

5. Power Generation and Distribution Machinery and Accessories

#	Category	Total PO Value	%
1	Batteries and generators and kinetic power transmission	\$25,994,714	99.5%
2	Electrical wire and cable and harness	\$83,674	0.3%
3	Power generation	\$18,589	0.1%
4	Power sources	\$15,619	0.1%
	Total	\$26,112,596	100%

6. Travel and Food and Lodging and Entertainment Services

# Category	Total PO Value	%
1 Hotels and lodging and meeting facilities	\$11,848,246	56.9%
2 Travel facilitation	\$3,278,421	15.7%
3 Restaurants and catering	\$1,582,339	7.6%
4 Entertainment services	\$974	<0.1%
5 Unclassified	\$4,113,522	19.8%
Total	\$20,823,502	100%

7. Building and Facility Construction and Maintenance Services

#	Category	Total PO Value	%
1	Building and facility maintenance and repair services	\$4,894,375	24.1%
2	Nonresidential building construction services	\$2,394,565	11.8%
3	Heavy construction services	\$1,835,931	9.1%
4	Specialized trade construction and maintenance services	\$1,716,598	8.5%
5	Residential building construction services	\$10,304	0.1%
6	Unspecified	\$9,419,613	46.5%
	Total	\$20,271,386	100%

Southeast Asia Where to play?

Southeast Asia

UN expenditure on goods and services in all procurement categories

Total expenditure (2017)



Goods: ~ \$182 mn.



 \Box Services: \sim \$198 mn.

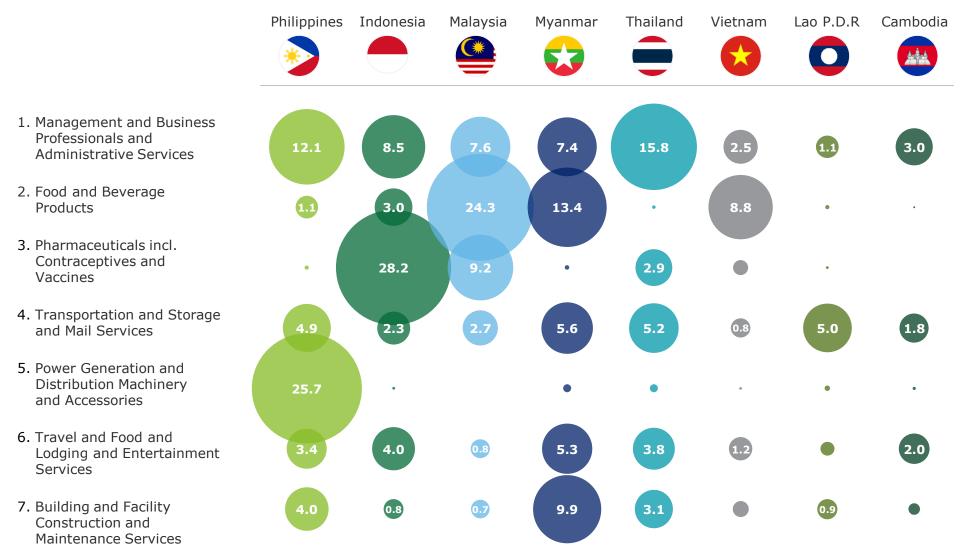


Source: Annual Statistical Report on United Nations Procurement (2018) 21 May 2019

United Nations Procurement and Partnerships

Southeast Asia

UN expenditure on the top 7 procurement categories in SEA

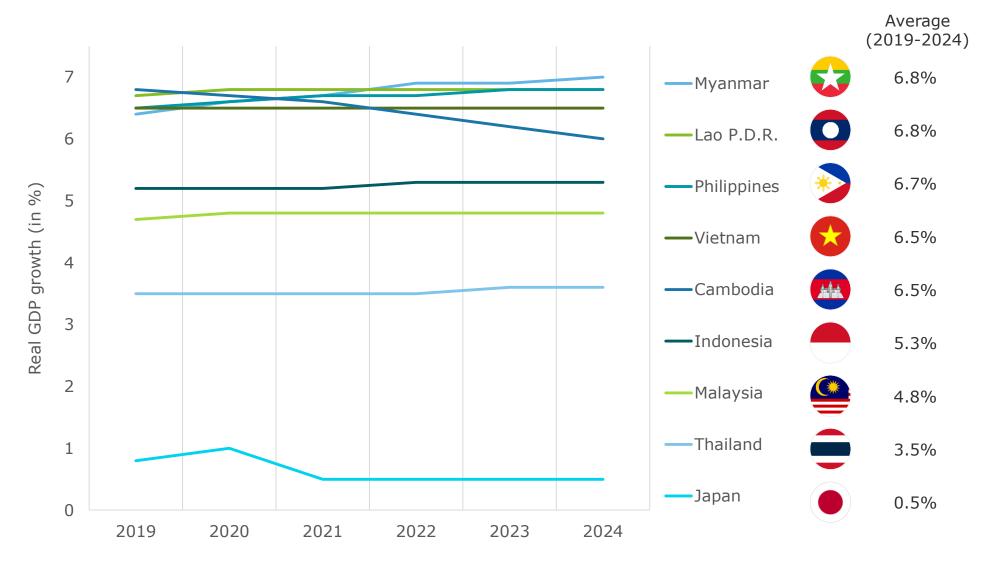


Source: Annual Statistical Report on United Nations Procurement (2018) 21 May 2019

Note: 1. Values are in USD millions. United Nations Procurement and Partnerships

Southeast Asia

Southeast Asian economies will grow tremendously



Source: IMF Data Mapper (2019)

21 May 2019

How to respond to the demand?

Why UN Agencies need to purchase goods and how?

Humanitarian aid

- Fast-pace
- Short-term
- Reactive
- Causal
- Actions targeted at immediate basic needs
- High media attention
- Majority aid workers = non-nationals
- Target: morbidity/mortality
- Measure: input, output, outcome = results

Example: aftermath of war or natural catastrophe

Slow-pace



People

- Long-term
- Proactive
- Multidimensional
- Actions targeted at root causes
- Low media attention
- Majority development aid workers = nationals

Development aid

- Target: capacity and sustainability
- Measure: input, output, outcome, impact = results

Example: institutional and economic problems hindering progress

Understanding EOIs, Sole Sourcing, CFPs, RFQs, ITBs, and RFPs

Relevant solicitation terms



- Expression of Interest (EOI)
 - Precedes formal bidding
 - Expresses a vendor's interest in bidding on a solicitation
 - Submitting an EOI does not constitute a solicitation



- Direct Procurement (Sole Sourcing)
 - Facilitates the awarding of a contract without competition
 - Used only when justified & when a competitive bidding process is not feasible
 - Typically for smaller contract awards



- Grant Support Call for Proposal (CFP)
 - Request of goods or services on behalf of grant operations
 - Grant supports are transferred from procuring UN agency to grantee
 - Establishes collaboration between vendor and 3rd party institutions that may result in future symbiotic relationships

Solicitation methods



- Request for Quotation (RFQ)
 - Request of goods or services with a total estimated value below \$100,000
 - Short document with standard specifications
 - Lowest price typically wins

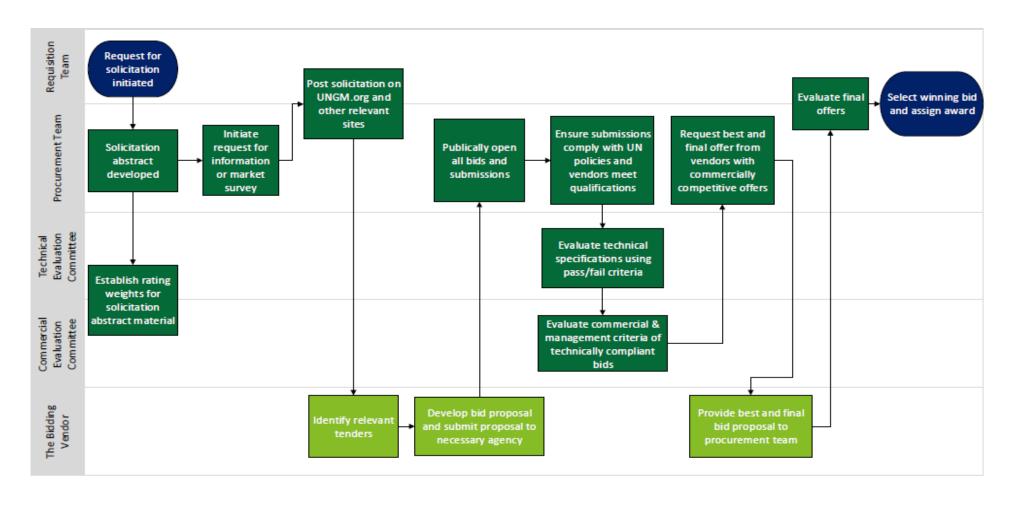


- Invitation to Bid (ITB)
 - Request of goods or services with a total estimated value exceeding \$100,000
 - Method used when large procurement specifications are standard and clear
 - Determining factors include price, technical competency, and compliance



- Request for Proposal (RFP)
 - Request of goods or services that cannot be qualitatively or quantitatively expressed in an ITB
 - Winning bids often possess technical skills and a demonstrated mastery of UN procedures
 - lowest price does not necessarily win

One unique process for RFQs, ITBs, and RFPs



UN - I UN - II Company

The procurement process after a successful bid

There are several activities that a company might be required to be involved in once it wins a procurement bid with the UN. These include:



Pre-contract negotiations and contract agreement



Registration of products with the UN (Country Team HQ) and the target country



Regular meetings with UN and local government staff



The approaches to target UN – government and corporations

Government

Patronage Approaches

- Contribute to the UN Budget
- Develop multi-stakeholder partnerships
- Support Southeast Asian governments through improving the implementation of procurement standard operating procedures
- Staff employees familiar with Japanese companies in UN procurement offices
- Advocate for projects relevant to the expertise of Japanese companies

Policy Approaches

- Limit distribution restrictions and ensure uncomplicated distribution
- Review government rules and regulations to ensure they do not interfere with the efficiency of pharmaceutical trading

UN Agencies

Corporations

Direct Approaches

- Vendor performance on past projects
- Extensions to on-going projects
- Long-term engagement (LTA) participation
- Circulation of vendor contract and performance information across agencies
- Assistance with RFIs
- Meetings with UN project managers

Indirect Approaches

- UNGM account registration
- Maintenance of UNGM account
- Tender Alert Service (TAS) membership
- Receive request for EOI from agencies
- UN Global Compact membership

Japan's contribution to the UN is one of the highest globally

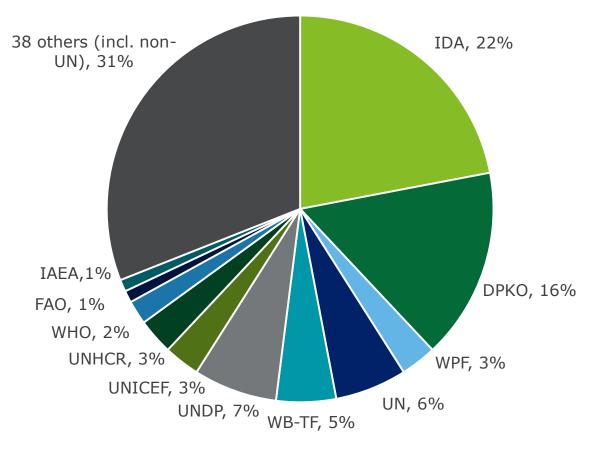
Year	Contribution to UN Regular budget in USD	Ranking of member states	Contribution to Peacekeeping operations (PKO) in USD	Ranking of member states
2018	USD260 million	2	USD650 million*	3
2017	USD240 million	2	USD660 million	3
2016	USD240 million	2	USD1.02 billion	3
2015	USD290 million	2	USD690 million	3
2014	USD270 million	-	USD1.3 billion	-

Note: *Estimate made on the basis of the \$6.7 billion UN peacekeeping operation budget for the fiscal year 1 July 2018 – 30 June 2019 and Japan contribution for 2018 (9.68%)

Sources:

- · Ministry of Foreign Affairs of Japan. Diplomatic Bluebooks 2015-2018. https://www.mofa.go.jp/index.html
- UN Peace Keeping. https://peacekeeping.un.org/en/how-we-are-funded
- Assessment of Member States' advances to the Working Capital Fund for the biennium 2018–2019 and contributions to the United Nations regular budget for 2018. https://undocs.org/en/ST/ADM/SER.B/973

Japan's contribution to international development organizations was USD 5.6 bn. between 2014 and 2016



Abbreviation	Organization		
IDA	International Development Association		
DPKO	Department of Peacekeeping Operations		
WPF	World Food Programme		
UN	United Nations		
WB-TF	World Bank Trust Funds		
UNDP	United Nations Development Programme		
UNICEF	United Nations Children's Fund		
UNHCR	United Nations High Commissioner for Refugees		
WHO	World Health Organization		
FAO	Food and Agriculture Organization of the United Nations		
IAEA	International Atomic Energy Agency		

Win-win How to go beyond procurement?



Win-win

Partnerships with the UN can go beyond procurement



Philanthropic

Unilateral flow of generic resources to advance a cause that is oftentimes unrelated to the core business (e.g. through charity)

Procurement



Transactional

Market transaction of goods and/or services that are specific to the demands of the procuring entity without further collaboration



Strategic

Co-investment of two or more entities in projects and/or programs creating "shared value" through strategic capabilities and resources



Transformative

Coordination of aligned efforts across multiple entities that are key to the resolution of a common social, environmental, or economic issue

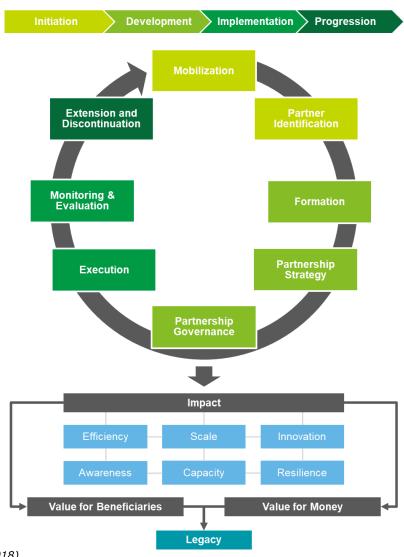
Win-win

Cross-sector partnerships need a strategy to give great rewards

 Most partnerships are characterized by four phases and several steps, each of which requires investment from both partners in terms of staff, time, money, and trust

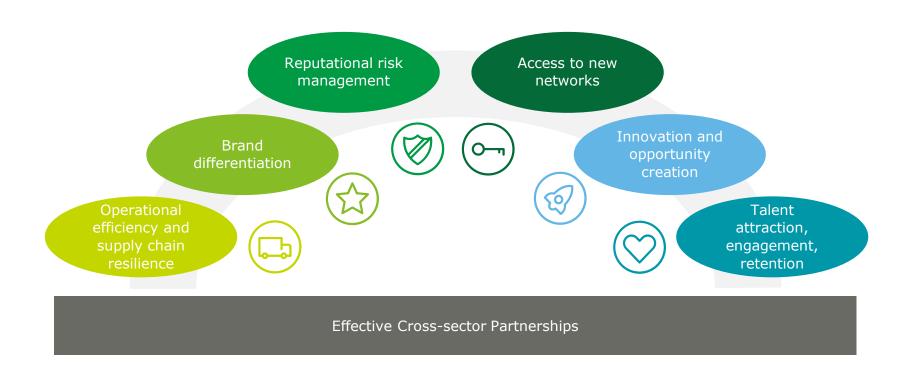
 Moving from a transactional towards a strategic partnership requires a shift towards value cocreation, knowledge sharing, and the deployment of resources and capabilities that are key to each organizations' success

 It is imperative that each partner is clear about the purpose of the partnership before the signing of the formal partnership agreement and that they communicate their objectives clearly



Win-win

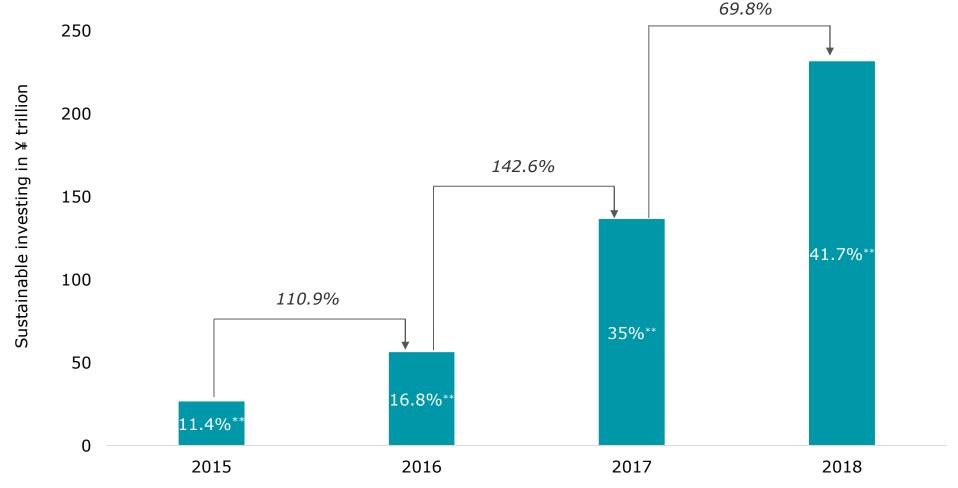
Partnership rewards can manifest across several dimensions of the business in the short- and long-run



Sustainability Risk Management How to achieve sustainable business?

Sustainability Risk Management

The momentum for sustainable investing* in Japan is increasing



Note:

Source: Japan Sustainable Investment Forum (2016-2019)

^{• *} Sustainable investment categories include: ESG integration, positive screening, sustainability-themed investing, impact/community investing, exercising voting rights, engagement, negative screening, and norms-based screening

^{• **} Percentages refer to proportion of social investment in relation to total investment in Japan.

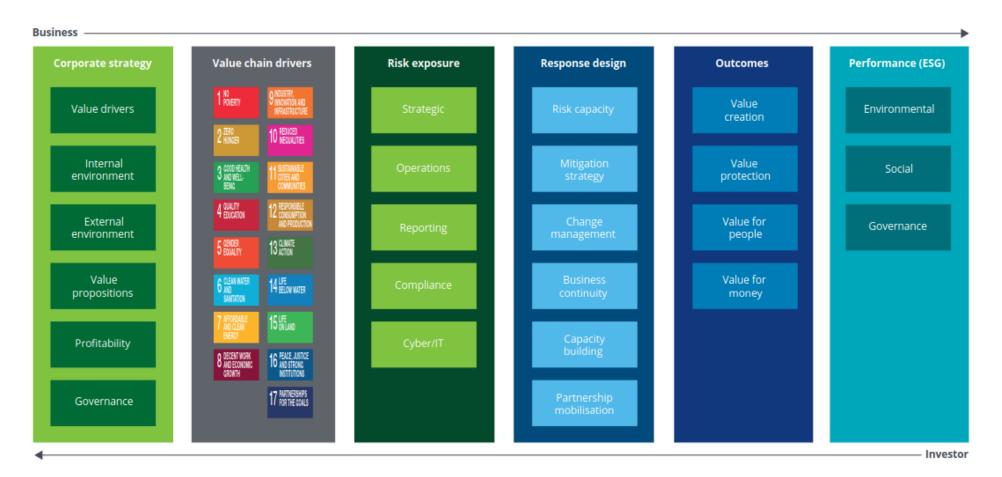
Sustainability Risk Management

Rising investor, consumer, and regulator concerns hold great potential for companies to maximize their contribution to the SDGs



Sustainability Risk Management

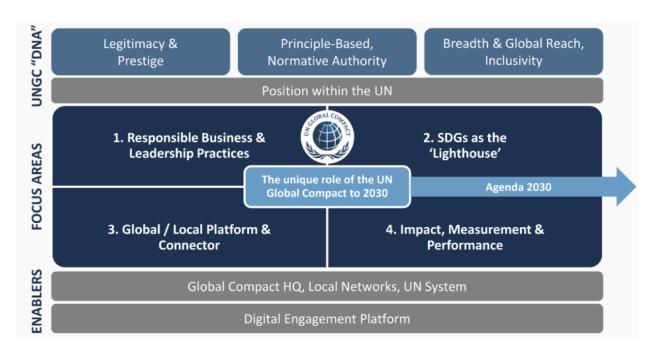
Companies can integrate the SDGs and ESG criteria in a holistic way through their risk management to improve performance over time



Engaging with the UN Examples

Engaging with the UN

United Nations Global Compact – The world's largest corporate sustainability initiative



The UN Global Compact is a voluntary initiative that seeks to advance universal principles on human rights, labour, environment and anti-corruption through the active engagement of the corporate community, in cooperation with civil society and representatives of organized labour.

- United Nations Global Compact (2018)



Focus areas are:

- Environmental
- Social
- Governance
- Sustainable Development
- Financial Markets
- Supply Chain



- > 13,000 members, including:
- Academic institutions
- Companies
- Business Associations
- NGOs
- Labour Organizations
- Cities & Public Sector Organizations

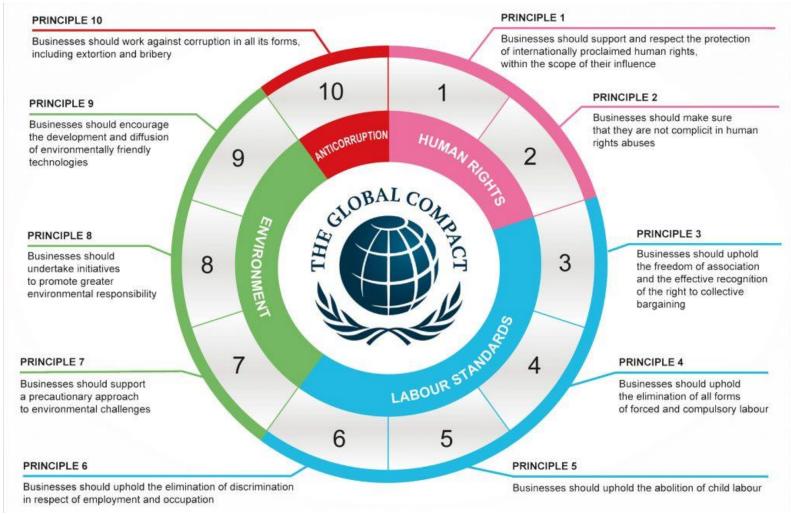


Several companies represented attending this workshop have been members for many years

Source: United Nations Global Compact (2018)

Engaging with the UN

United Nations Global Compact – The world's largest corporate sustainability initiative

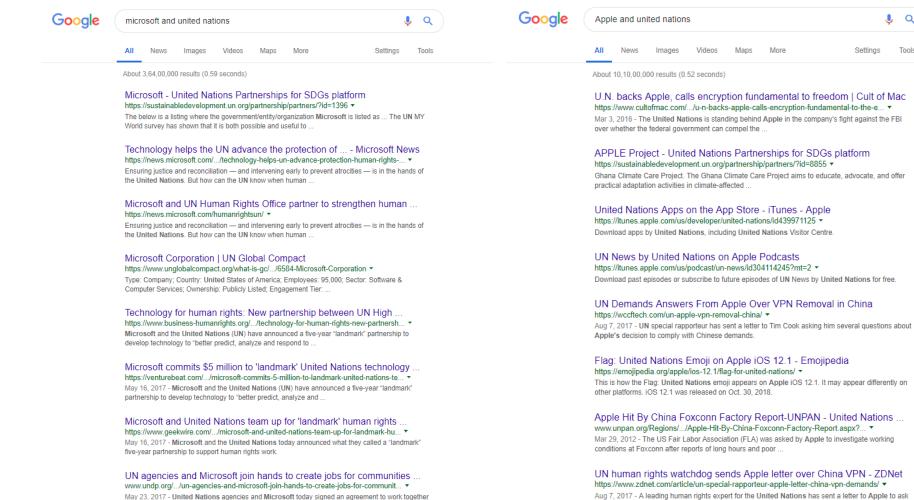


United Nations Global Compact (2018)



Engaging with the UN Microsoft

to create jobs for communities affected by the Syria crisis.



why the company removed the majority of VPN providers ...

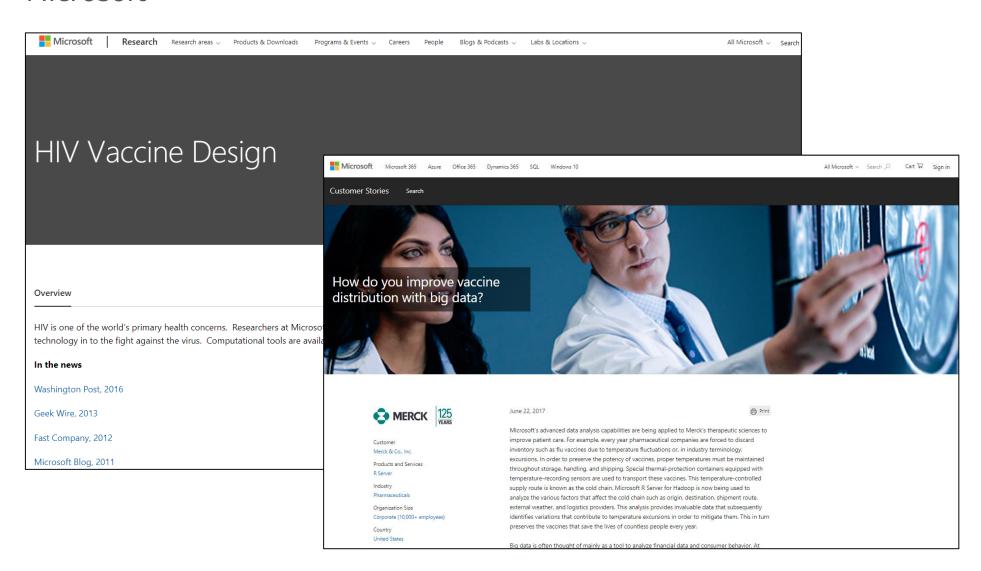
Q

Settings





Engaging with the UN Microsoft





Engaging with the UN LEGO



@ 2015/UNICEF/ Sudeshan Reddy

Towards sustainable, systemic change in South Africa

Poverty and inequality have profound negative impacts on children's developmental outcomes, and more intensely for younger children. In South Africa, where poverty levels are high (55.7% among children under 18) and is one of the most unequal societies in the world (GINI coefficient 0.65 in 2011), the need for comprehensive early childhood development services and programming is more imperative.

Thanks to the partnership with the LEGO Foundation, the South African government is working on changing policies

and programmes and has included play-based learning as a fundamental principle in the National Integrated Early
Childhood Development Policy, bringing play-based learning into classrooms and pre-school facilities nationwide. The
partnership in South Africa has the potential to benefit 3 million children under 10 who are receiving support and care from
parents, caregivers and educators who have been taught to understand and use play as a tool for stimulation and learning.

21 May 2019

United Nations Procurement and Partnerships

Engaging with the UN **LEGO**



© UNICEFUkraine/2015/Hetman

build more peaceful societies.

Play as a strategy to alleviate trauma and stress of conflict affected children

UNICEF figures show that globally one in 11 children aged 6 or younger has spent the most critical period of brain development growing up in conflict. Emergency settings pose a multitude of risks to young children and their families, and can have adverse effects on young children's development.

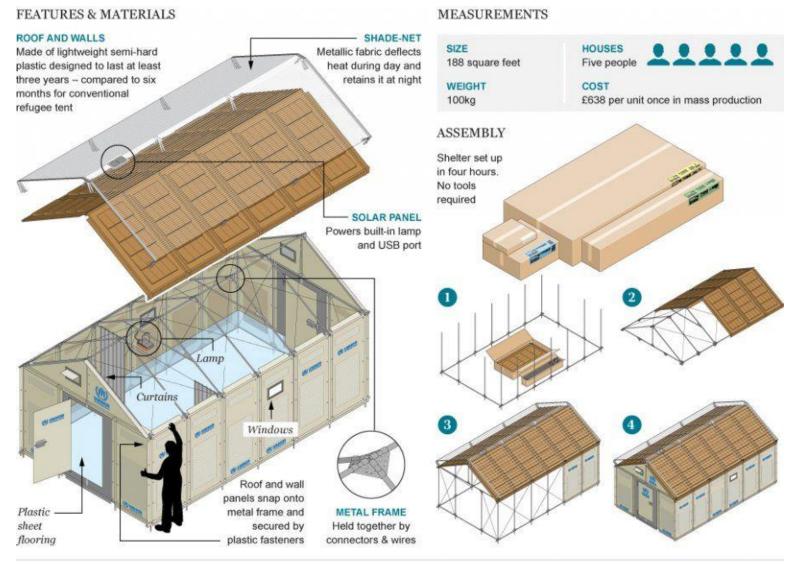
Play can be a powerful strategy to help children establish routines and regain a sense of normalcy, as well as to help build young child's resilience. Furthermore, play can contribute in the long term to

Since 2015, the LEGO Foundation has made an in-kind contribution of LEGO play materials and trained practitioners and staff to support play as a strategy to alleviate trauma and stress reaching over 320,000 conflict-affected children in Ukraine, Iraq, Egypt, Turkey and Jordan.



Engaging with the UN

IKEA



Deloitte.



Thank you for your attention!

My name is Rui san, and it
was my pleasure to be with
you today.

Deloitte.

Contact Information

Rui Figueiredo

Engr., MsBA, DAS Risk, CAS Internal Audit Deloitte United Nations Account Lead in Southeast Asia

Tel/Direct: +95 1230 7365

Mobile: +95 99 6014 0501

Email: rfigrdo@deloitte.com

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities. DTTL (also referred to as "Deloitte Global") and each of its member firms and their affiliated entities are legally separate and independent entities. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our network of member firms in more than 150 countries and territories serves four out of five Fortune Global 500® companies. Learn how Deloitte's approximately 286,000 people make an impact that matters at www.deloitte.com.

About Deloitte Asia Pacific

Deloitte Asia Pacific Limited is a company limited by guarantee and a member firm of DTTL. Members of Deloitte Asia Pacific Limited and their related entities provide services in Australia, Brunei Darussalam, Cambodia, East Timor, Federated States of Micronesia, Guam, Indonesia, Japan, Laos, Malaysia, Mongolia, Myanmar, New Zealand, Palau, Papua New Guinea, Singapore, Thailand, The Marshall Islands, The Northern Mariana Islands, The People's Republic of China (incl. Hong Kong SAR and Macau SAR), The Philippines and Vietnam. In each of these, operations are conducted by separate and independent legal entities.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte Network") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.