

U.S. Country Commercial Guides



United Nations

2020

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Doing Business with United Nations

Market Overview

The United Nations (UN) is an international organization founded in 1945 with one central mission: the maintenance of international peace and security. Today the UN pursues this mission by working to prevent conflict, helping parties in conflict make peace, peacekeeping, and creating the conditions to allow peace to hold and flourish.

The UN is currently made up of 193 Member States, and its mandate is carried out through six main organs: the General Assembly, the Security Council, the Economic and Social Council, the Trusteeship Council, the International Court of Justice, and the UN Secretariat. The UN system also includes many affiliated programs, funds, and specialized agencies; all with their own membership, leadership, and budget. These programs and funds are financed through voluntary rather than assessed contributions. Specialized agencies are independent international organizations funded by both voluntary and assessed contributions.

The UN system spends nearly \$20 billion annually for different types of goods and services. In 2019, total UN procurement spending was \$19.9 billion, a 5.9 percent increase from 2018. Based on 2019 data, the six largest sectors for UN procurement are: 1) Pharmaceuticals, Contraceptives, Vaccines (\$3.3 billion), 2) Transportation, Storage, Mail Services (\$2.7 billion), 3) Food and Beverage Products (\$2.1 billion), 4) Management and Admin Services (\$1.8 billion), 5) Building and Maintenance Services (\$1.4 billion), and 6) Engineering and Research Services (\$1.1 billion).

In 2019, the UN system procured goods and services from 217 different countries, with 133 countries having an annual procurement volume of more than \$10 million each. United States companies provided the largest share of UN procurement, capturing \$1.7 billion or almost 9 percent of total spending, nearly a 6 percent increase from 2018.

The United Nations publishes a comprehensive annual report on the status of UN Procurement detailing expenditures by country sector and organization. This report can be accessed via the UN's central procurement portal, United Nations Global Marketplace, at www.ungm.org.

Market Challenges

There are key challenges to keep in mind when considering United Nations procurement: 1) international competition, 2) conservative vendor selection, and 3) lengthy business development cycles. Additionally, some firms have expressed concern regarding delays, onerous requirements, and lack of clarity/transparency in tender specifications.

International Competition

American companies will be competing with vendors from around the world. The UN system is committed to a diverse set of international vendors, and in many instances, there is an effort to ensure equitable geographic representation and participation of emerging economies while maintaining the principle of effective competition. The UN system places an emphasis on vendors from member states identified as “Developing Countries” and/or “Countries with Economies in Transition,” as part of the organization’s commitment to increasing business opportunities for suppliers in those countries.

The United States is the largest supplier of services and the second largest supplier of goods to the UN, making it the largest overall supplier. India is the second largest overall supplier. The fastest growing procurement countries in 2019 were Yemen and Switzerland. Overall, there was approximately a 12 percent increase in procurement from the top 10 countries from 2018. The top ten overall supplier countries by procurement volume are as follows:

2019 United Nations Procurement by Supplier Country

SUPPLIER COUNTRY	GOODS 2019 (USD M)	SERVICES 2019 (USD M)	TOTAL 2019 (USD M)	SHARE OF UN TOTAL 2019	TOTAL CHANGE 2018-2019 (%)
UNITED STATES OF AMERICA	837.2	900.2	1,737.4	8.7%	5.9%
INDIA	938.8	173.1	1,111.9	5.6%	6.7%
YEMEN	256.2	615.8	872.0	4.4%	51.4%
UNITED ARAB EMIRATES	635.0	205.4	840.5	4.2%	4.5%
SWITZERLAND	155.8	568.6	724.4	3.6%	33.8%
BELGIUM	623.5	85.8	709.2	3.6%	-4.8%
FRANCE	563.0	122.3	685.3	3.4%	19.9%
DENMARK	301.2	329.6	630.8	3.2%	14.5%

KENYA	216.6	365.4	582.0	2.9%	6.0%
NETHERLANDS	355.0	179.7	534.7	2.7%	4.7%
TOP 10 TOTAL	4,882.3	3,545.9	8,428.2	42.4%	11.9%
UN TOTAL	9,453.0	10,439.5	19,892.6	-	5.9%

Source: 2019 Annual Statistical Report on United Nations
https://www.ungm.org/Shared/KnowledgeCenter/Pages/asr_report

India is the largest overall supplier in the developing countries, countries with economies in transition, and least developed countries (LDC) category. However, the greatest growth from 2019 comes from Yemen, which increased its procurement by more than 50 percent. The top ten supplier countries by procurement volume for developing countries, countries with economies in transition, and least developed countries are as follows:

2019 United Nations Procurement – Developing Countries, Countries with Economies in Transition, and Least Developed Countries

SUPPLIER COUNTRY	GOODS 2019 (USD M)	SERVICES 2019 (USD M)	TOTAL 2019 (USD M)	SHARE OF UN TOTAL 2019 (%)	TOTAL CHANGE 2018-2019 (%)
INDIA	938.8	173.1	1,111.9	5.6%	6.7%
YEMEN	256.2	615.8	872.0	4.4%	51.4%
UNITED ARAB EMIRATES	635.0	205.4	840.5	4.2%	4.5%
KENYA	216.6	365.4	582.0	2.9%	6.0%
TURKEY	377.4	134.2	511.6	2.6%	17.1%
LEBANON	109.7	239.7	349.3	1.8%	-6.5%
RUSSIAN FEDERATION	65.8	225.4	291.2	1.5%	-8.4%
ETHIOPIA	67.9	214.8	282.7	1.4%	-10.5%
IRAQ	51.5	221.6	273.1	1.4%	-43.9%
JORDAN	75.9	176.9	252.9	1.3%	38.5%
TOP 10 TOTAL	2,794.8	2,572.3	5,367.1	27.1%	3.5%
DEVELOPING COUNTRIES, COUNTRIES WITH ECONOMIES IN TRANSITION, LDC TOTAL	5,495.1	6,842.5	12,337.6	62.0%	5.3%
UN TOTAL	9,453.0	10,439.5	19,892.6	-	5.9%

Source: 2019 Annual Statistical Report on United Nations
https://www.ungm.org/Shared/KnowledgeCenter/Pages/asr_report

Conservative Vendor Selection

As an international organization with a responsibility for managing public funds, the UN takes a conservative approach to vendor selection. Procurement teams are typically looking for suppliers who are able to demonstrate a track record of working on projects of similar size, scope, and location (especially if it is an international project). This may make it more challenging for new suppliers with fewer years of operation to succeed in securing a UN contract, especially if the size of the contract is out of proportion with the suppliers' previous revenues.

For many UN agencies and organizations, vendors interested in bidding on tenders are required to register with United Nations Global Marketplace (www.ungm.org). For certain contracts, in particular those of large scale, high value, complexity and/or risk level, a higher level of UNGM registration is required. In order to be registered at a higher level, vendors are requested to provide additional documents such as a certificate of incorporation, three years of audited financial statements, and three reference letters.

Lengthy Business Development Cycles

The pursuit of UN Procurement is not recommended for companies focused on short-term results. Given the UN's conservative approach to vendor selection, it is unusual for a vendor to win a contract following their first bid. Vendors are encouraged to respond to any tenders to which they are invited, and to establish a pattern of interest.

Sustainable Procurement

Sustainable development is "practices that integrate requirements, specifications and criteria that are compatible and in favor of the protection of the environment, of social progress and in support of economic development, namely by seeking resource efficiency, improving the quality of products and services and ultimately optimizing costs." As of 2019, 39 UN procurement organizations have implemented formal and informal initiatives to promote sustainable procurement, pursuant to the definition above. While economic concerns are considered first, environmental and social concerns are second and third most considered when deciding on a tender. Many organizations have incorporated sustainability in the requirements of their tenders. See the UN sustainable development website for more information: <https://sustainabledevelopment.un.org/>

Market Opportunities

As noted above, the United States was the number one supplier to the United Nations in 2019, supplying approximately 9 per cent of total UN procurement (\$1.74 billion) in goods and services. The largest area of procurement was in pharmaceuticals, contraceptives, and vaccines. Historically, U.S. companies have provided more services than goods, a split that is attributed to the fact that U.S. companies provide a large volume of local real-estate related services in connection with the UN's headquarter location in New York City.

The UN procures goods and services in twelve key sectors: health, transport, consultancy, administration and operations, construction and engineering, food and farming, humanitarian aid, peace and security, climate action, energy, education, and clean water and sanitation. The following table shows the distribution of UN procurement across these largest categories of goods and services.

2019 United Nations Procurement by Category

SECTORS OF GOODS AND SERVICES	TOTAL 2019 PROCUREMENT (IN \$ MILLIONS)	% OF TOTAL
PHARMACEUTICALS, CONTRACEPTIVES, VACCINES	3,239.3	16.3%
TRANSPORTATION, STORAGE, MAIL SERVICES	2,653.6	13.3%
FOOD AND BEVERAGE PRODUCTS	2,070.4	10.4%
MANAGEMENT AND ADMINISTRATIVE SERVICES	1,782.3	9.0%
BUILDING AND MAINTENANCE SERVICES	1,370.2	6.9%
ENGINEERING AND RESEARCH SERVICES	1,086.5	5.5%
MEDICAL EQUIPMENT	740.5	3.7%
FUELS AND LUBRICANTS, ETC	599.5	3.0%
TRAVEL, FOOD, AND LODGING	572.0	2.9%
FINANCIAL AND INSURANCE SERVICES	557.8	2.9%
TOP 10 TOTAL	14,672.1	73.8%
UN TOTAL	19,892.6	-

Source: 2019 Annual Statistical Report on United Nations

https://www.ungm.org/Shared/KnowledgeCenter/Pages/asr_report

Pharmaceuticals, Contraceptives, and Vaccines is the largest sector with over a 16 percent share of procurement, and includes pharmaceuticals, contraceptives, vaccines, as well as medical equipment and healthcare services. The Management and Administrative Services category represents 9 percent of the total procurement and includes purchases of goods and services directly procured in relation to ongoing programs and projects, or for administrative

services or operations support to UN activities. Both Health and Consultancy, Administration and Operations are key to the UN’s ability to fulfill its core peacekeeping and global humanitarian missions. Consequently, continued spending in these areas is expected.

In 2019, four other sectors had a share of roughly 45 percent of the UN’s procurement volume, namely transport, storage, and mail services (transport services such as air charter, and purchases of motor vehicles), food and beverage products, building and maintenance services, and engineering and research services.

For additional information about the breakdown of each sector, please see the section of this report on “Leading Sectors for US Exporters & Investments.”

Market Entry Strategy

There are three key recommendations for U.S. companies considering the United Nations procurement market: 1) develop familiarity with key UN procuring agencies / programmes / funds, 2) register with United Nations Global Marketplace (www.ungm.org), and 3) check UNGM and local agency websites frequently to review posted expressions of interest and requests for proposals.

Develop Familiarity Key UN Procuring Agencies/Programmes/Funds:

The UN system is made up of 39 different agencies, programmes, and funds, each of which has a different mission and handles procurement in different ways. Thirty-three of these organizations had an increase in procurement from 2018, and 9 of these saw an increase by more than 20 percent. It is important to keep in mind that each organization’s procurement spending is driven by the organization’s key mission/ needs. We recommend that you familiarize yourself with the missions of the top procuring agencies and take advantage of United Nations Global Marketplace (UNGM) to review past tenders and contract awards for the products and/or services you provide in order to ensure that there is a match.

Below is a list of the top 10 (in dollars spent) procuring UN agencies in 2019, which accounted for almost 90% of total UN procurement spending. We have also included a link to each agency’s website so that you may learn more about their respective missions.

2019 United Nations Procurement by UN Organization

ORGANIZATION	TOTAL 2019 PROCUREMENT	% OF TOTAL	LINK
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	T (IN USD M)		
UNICEF	3,825.7	19.2%	https://www.unicef.org
WORLD FOOD PROGRAMME	3,636.6	18.3%	http://www1.wfp.org
UN PROCUREMENT DIVISION	2,511.6	12.6%	https://www.un.org/depts/ptd/welcome-United-Nations-procurement-division-unpd
UN DEVELOPMENT PROGRAMME	2,083.9	10.5%	http://www.undp.org
UN HIGH COMMISSIONER FOR REFUGEES	1,138.3	5.7%	http://www.unhcr.org/en-us
UN OFFICE FOR PROJECT SERVICES	1,095.1	5.5%	https://www.unops.org
PAN AMERICAN HEALTH ORGANIZATION	1,006.5	5.1%	http://www.paho.org/hq
INTERNATIONAL ORGANIZATION FOR MIGRATION	959.7	4.8%	https://www.iom.int
WORLD HEALTH ORGANIZATION	893.2	4.5%	http://www.who.int/en
UN POPULATION FUND	404.2	2.0%	https://www.unfpa.org/
TOP 10 TOTAL	17,554.8	88.2%	
GRAND TOTAL	19,892.6	-	

Source: 2019 Annual Statistical Report on United Nations Procurement
https://www.ungm.org/Shared/KnowledgeCenter/Pages/asr_report

Also keep in mind that even though the UNGM is the main supplier database of 29 UN organizations, some organizations have their own supplier database. The UN agencies that do not directly support the UNGM are not selectable during the UNGM registration process. Therefore, it is crucial for potential suppliers to the UN agencies that do not participate in UNGM to contact the agency directly.

Register with United Nations Global Marketplace

The United Nations Global Marketplace (UNGM or www.ungm.org) is the common procurement portal of the UN system of organizations. UNGM enables vendors from around the world to register for procurement opportunities across the UN system. In turn, multiple UN agencies can tap into the UNGM database of registered vendors in order to identify those that meet their procurement needs. The 29 UN organizations utilizing UNGM as a vendor database account for over 99 percent of total UN procurement dollars spent. UNGM, therefore, provides an excellent

springboard for U.S companies to introduce products and services to many UN organizations, countries, and regions by only completing one registration form.

Registering with UNGM is fairly straightforward. There are three levels of registration, and most UN organizations require vendors to only register at a “Basic” level. Registration is free, and “Basic” registration should take approximately 5-10 minutes. At this level, only minimal company information, such as contact name, address, phone number, and email address are required.

During the registration process, suppliers will also be required to identify the class of good/service they wish to provide, using the UN’s Standard Product and Services Code (UNSPSC). After selecting one or more UNSPSC code(s), the UNGM system will automatically match suppliers with the UN organizations that purchase that category of good and/or service.

Once a vendor’s “Basic” registration has been submitted and accepted by at least one UN organization, the vendor’s profile will be visible to all UN personnel. It might take up to 10 working days before the profile becomes visible. Please note that registration does not imply pre-qualification, and the UN organizations reserve the right to further assess and evaluate companies.

In addition to the “Basic” level of registration, there is also the possibility to apply for “Level 1” and/or “Level 2” registration. These higher levels require more documentation, such as a certificate of incorporation, references, and audited financial statements. “Level 1” and “Level 2” registrations are mandated by certain UN organizations in order to be eligible for contracts with larger dollar values. The United Nations Secretariat, for example, requires “Level 1” registration for contracts greater than \$40,000 up to \$500,000 and “Level 2” registration for contracts with value of more than \$500,000.

Due to the high volume of registrations, requests for “Level 1” and “Level 2” registrations will most likely only be evaluated as part of a solicitation process. Companies may be approved for the “Basic” registration right away, but the status of “Level 1” and “Level 2” registrations will remain “Submitted” prior to that evaluation.

Check UNGM and Agency Websites to Review Expressions of Interest and Requests for Proposals

Simply registering on UNGM is not sufficient. In order to have success with UN Procurement, your company needs to be proactive, which includes regular visits to UNGM and local agency websites to review the latest tender

opportunities. Assigning this task to a member of your business development team is a recommended best practice to ensure that you do not miss tenders to which you are able to respond.

UNGM also offers a paid program called the “Tender Alert System” which provides automated email notifications when tenders are posted in your specified category of interest. A \$250 fee is required for this optional service, which is available to vendors during the UNGM registration process. For pricing and additional information, please visit www.ungm.org.

Leading Sectors for US Exports & Investments

In 2019, the five largest sectors of procurement accounted for over 55 percent of total United Nations procurement spending. This section of the report will provide further details of each sector, analyzing main categories, major supplier countries and the largest procuring organizations within each sector.

Below is a list of the top 10 procurement by category across all sectors, along with the total change of that category from 2018.

2019 United Nations Procurement – Top 10 Categories by Sectors

CATEGORIES	TOTAL 2019 PROCUREMENT (IN \$ MILLIONS)	TOTAL CHANGE 2018-2019 (%)
PHARMACEUTICALS, CONTRACEPTIVES, VACCINES	3,239.3	8.1%
TRANSPORTATION, STORAGE, MAIL SERVICES	2,653.6	11.2%
FOOD AND BEVERAGE PRODUCTS	2,070.4	1.1%
MANAGEMENT AND ADMINISTRATIVE SERVICES	1,782.3	6.6%
BUILDING AND MAINTENANCE SERVICES	1,370.2	-1.7%
ENGINEERING AND RESEARCH SERVICES	1,086.5	-1.7%
MEDICAL EQUIPMENT	740.5	22.4%
FUELS AND LUBRICANTS ETC.	559.5	-5.7%
TRAVEL, FOOD, AND LODGING	572.0	27.0%
FINANCIAL AND INSURANCE SERVICES	557.8	34.1%
TOP 10 TOTAL	14,672.1	
UN TOTAL	19,892.6	

Source: 2019 Annual Statistical Report on United Nations
https://www.ungm.org/Shared/KnowledgeCenter/Pages/asr_report

Consultancy, Administration, and Operations

This category includes over \$4 billion of goods and services either directly procured in relation to ongoing programmes and projects, or for administrative services or operational support to UN activities. It is a \$4.1 billion sector on which all UN organizations are dependent to operate. United States suppliers captured 11.3% of this category in 2019, or \$461.5 million.

2019 United Nations Procurement – Consultancy, Administration, and Operations Sector – Top 10 Subcategories

CATEGORIES	TOTAL 2019 PROCUREMENT (IN \$ MILLIONS)	LARGEST PROCURING ORGANIZATION	LARGEST ORGANIZATION 2019 PROCUREMENT (IN \$ MILLIONS)	LARGEST ORGANIZATION'S % SHARE OF TOTAL 2019 PROCUREMENT
BUSINESS ADMINISTRATION SERVICES	530.3	UNDP	298.5	56.2%
REAL ESTATE SERVICES	468.0	UNPD	118.2	25.2%
COMPUTER SERVICES	329.4	UNDP	96.9	29.4%
MANAGEMENT ADVISORY SERVICES	327.3	WFP	79.9	24.4%
INFORMATION TECHNOLOGY SERVICE DELIVERY	235.6	UNPD	78.0	33.1%
HOTELS AND LODGING AND MEETING FACILITIES	197.9	UNDP	56.0	28.3%
VOCATIONAL TRAINING	156.1	UNDP	87.0	55.7%
UTILITIES	140.1	WFP	33.7	24.1%
MARKETING AND DISTRIBUTION	132.2	UNHCR	71.1	53.8%
ACCOMMODATION FURNITURE	90.9	UNOPS	27.0	29.7%
TOP 10 TOTAL	2,607.8		1,621.3	
GRAND TOTAL	4,106.8			

Source: 2019 Annual Statistical Report on United Nations Data
https://www.ungm.org/Shared/KnowledgeCenter/Pages/asr_data

Health

The top ten categories procured within the United Nations' health sector are listed below in order of procurement volume in the table below. The table also provides information on the largest procuring organization and the share of that organization within that individual category. The United States was the second largest supplying country in this sector, with U.S. suppliers providing contracts valued at \$682.2 million. India was the largest supplier. The health

sector was the largest sector in 2019, having surpassed consultancy, administration and operations in 2018. This increase was mostly due to heightened procurement of pharmaceuticals, contraceptives, and vaccines by UNICEF.

2019 United Nations Procurement – Health Sector – Top 10 Subcategories

CATEGORIES	TOTAL 2019 PROCUREMENT (IN \$ MILLION)	LARGEST PROCURING ORGANIZATION	LARGEST ORGANIZATION'S 2019 PROCUREMENT (IN \$ MILLIONS)	LARGEST ORGANIZATION'S % SHARE OF TOTAL 2019 PROCUREMENT
IMMUNOMODULATING DRUGS	2,448.5	UNICEF	1,653.5	67.5%
COMPREHENSIVE HEALTH SERVICES	285.1	WHO	262.3	92.0%
CLINICAL NUTRITION	180.6	UNICEF	180.6	99.9%
ESTROGENS AND PROGESTINS AND INTERNAL CONTRACEPTIVES	177.7	UNFPA	177.4	99.8%
HORMONES AND HORMONE ANTAGONISTS	161.6	UNDP	149.5	92.5%
AMEBICIDES AND TRICHOMONACIDES AND ANTIPROTOZOALS	137.9	UNDP	113.4	82.2%
MOBILE MEDICAL SERVICES PRODUCTS	77.4	WHO	45.9	59.3%
PATIENT EXAM AND MONITORING PRODUCTS	67.8	WHO	62.7	92.5%
ANTIVIRAL DRUGS	42.3	PAHO	38.5	91.0%
MEDICAL FACILITY PRODUCTS	31.5	UNOPS	15.1	47.9%
TOP 10 TOTAL	3,610.3		2,698.9	
GRAND TOTAL	4,334.3			

Source: 2019 Annual Statistical Report on United Nations Data
https://www.ungm.org/Shared/KnowledgeCenter/Pages/asr_data

Transport

The table below provides information on the top ten categories procured within the United Nations' \$3.3 billion transport sector, together with largest procuring organization, including the share of that organization within that category. The largest category within transport is mail and cargo transportation, with the World Food Programme (WFP) responsible for nearly 83 percent of all procurement in that category. The second-largest category within this sector is passenger transportation, with the United Nations Procurement Division responsible for 52 percent of total 2019 volume in that category. The third-largest transport category is motor vehicles, with the United Nations Office

for Project Services (UNOPS) responsible for close to 25 percent of 2019 volume. United States suppliers captured contacts valued at \$229.3 million, or 6.8% of total spent, making the U.S. the top providing country in this category.

2019 United Nations Procurement – Transport Sector – Top 10 Subcategories

CATEGORIES	TOTAL 2019 PROCUREMENT (IN \$ MILLIONS)	LARGEST PROCURING ORGANIZATION	LARGEST ORGANIZATION 2019 PROCUREMENT (IN \$ MILLIONS)	LARGEST ORGANIZATION'S % SHARE OF TOTAL 2019 PROCUREMENT
MAIL AND CARGO TRANSPORT	1,183.6	WFP	978.2	82.6%
PASSENGER TRANSPORT	874.2	UNPD	455.3	52.1%
MOTOR VEHICLES	312.7	UNOPS	76.8	24.6%
TRAVEL FACILITATION	230.8	UNPD	88.0	38.1%
TRANSPORT SERVICES	224.4	WFP	112.1	50.0%
STORAGE	807.8	WFP	42.6	5.3%
MATERIAL PACKING AND HANDLING	55.1	PAHO	32.2	58.4%
TRANSPORTATION COMPONENTS AND SYSTEMS	51.1	UNPD	26.6	52.1%
TRANSPORTATION REPAIR OR MAINTENANCE SERVICES	47.0	UNOPS	15.9	33.8%
TRANSPORTATION SERVICES EQUIPMENT	40.0	UNPD	3.4	8.5%
TOP 10 TOTAL	3,826.7		1,831.1	
GRAND TOTAL	3,999.5			

Source: 2019 Annual Statistical Report on United Nations Data
https://www.ungm.org/Shared/KnowledgeCenter/Pages/asr_data

Food and Farming

In 2019, the United Nations spent more than \$2.2 billion in the food and farming sector. Like the health sector, the food and farming sector has a strong connection to several UN organizations' core mandates. For example, the World Food Programme (WFP), provides food assistance to meet emergency needs, and to support economic and

social development. WFP is the primary buyer in this category. In 2019, WFP spent \$1.7 billion or over 75% of the total spent in this category. Their key food and farming subcategories include wheat, rice, maize, and dry pulses, among others. If you are a supplier in these subcategories, we recommend visiting WFP's website at <http://www1.wfp.org> for additional information about opportunities and vendor registration procedures at WFP. The United States however, is not in the top five supplier countries. The top five vendor countries include Turkey, United Arab Emirates, Yemen, Kenya, and Belgium.

The table below outlines the top 10 subcategories for 95% of the total spent in this category. As you will see, spending in each subcategory tends to be dominated by a single UN organization procuring between 90 and 100 percent of that category. For example, the World Food Programme (WFP) procured about 96 percent of all cereal and pulse products, while the Food and Agriculture Organization (FAO) procured most of the Seeds and Bulbs and Seedlings and Cuttings products.

2019 United Nations Procurement – Food and Farming – Top 10 Subcategories (Excluding World Food Programme)

CATEGORIES	TOTAL 2019 PROCUREMENT (IN \$ MILLIONS)	LARGEST PROCURING ORGANIZATION	LARGEST ORGANIZATION 2019 PROCUREMENT (IN \$ MILLIONS)	LARGEST ORGANIZATION'S % SHARE OF TOTAL 2019 PROCUREMENT
CEREAL AND PULSE PRODUCTS	1,101.2	WFP	1,060.9	96.3%
PREPARED AND PRESERVED FOODS	498.3	UNPD	282.2	56.6%
NUTRITIONAL SUPPLEMENTS	193.7	WFP	192.0	99.1%
EDIBLE OILS AND FATS	178.5	WFP	172.7	96.8%
CHOCOLATE AND SUGARS AND SWEETENERS AND CONFECTIONARY PRODUCTS	39.8	WFP	36.2	91.0%
SEEDS AND BULBS AND SEEDLINGS AND CUTTINGS	37.4	FAO	35.8	95.7%
AGRICULTURAL AND FORESTRY AND LANDSCAPE MACHINERY AND EQUIPMENT	31.4	UNDP	11.7	37.3%

WATER RESOURCES DEVELOPMENT AND OVERSIGHT	26.2	FAO	9.8	37.4%
ANIMAL FEED	19.0	FAO	18.0	94.7%
FERTILIZERS AND PLANT NUTRIENTS AND HERBICIDES	16.2	FAO	15.5	95.7%
TOP 10 TOTAL	2,141.6		1,834.8	
GRAND TOTAL	2,244.6			

Source: 2019 Annual Statistical Report on United Nations Data
https://www.un.org/Shared/KnowledgeCenter/Pages/asr_data

Construction and Engineering

In 2019, Construction and Engineering was a \$2 billion sector for the United Nations. The main category within this sector is building and facility maintenance and repair services with a total volume of \$382.5 million, with the largest procurement coming from the United Nations Development Programme at 18.2 percent of total procurement in that sector. UNHCR procured more than 80 percent of structural materials. The United States was in the top six supplier countries for construction and engineering, providing \$73.2 million of total spent in this category, or about 4% of the total. The top three suppliers were Iraq, Switzerland, and Peru.

2019 United Nations Procurement – Construction and Engineering Sector – Top 10 Subcategories

CATEGORIES	TOTAL 2019 PROCUREMENT (IN \$ MILLIONS)	LARGEST PROCURING ORGANIZATION	LARGEST ORGANIZATION 2019 PROCUREMENT (IN \$ MILLIONS)	LARGEST ORGANIZATION'S % SHARE OF TOTAL 2019 PROCUREMENT
BUILDING AND FACILITY MAINTENANCE AND REPAIR SERVICES	382.5	UNDP	143.7	37.6%
NONRESIDENTIAL BUILDING CONSTRUCTION SERVICES	289.1	UNPD	74.9	25.9%
PROFESSIONAL ENGINEERING SERVICES	262.7	UNDP	152.1	57.9%
SPECIALIZED TRADE CONSTRUCTION AND MAINTENANCE SERVICES	148.3	UNPD	72.8	49.1%
HEAVY CONSTRUCTION SERVICES	145.5	UNOPS	115.7	79.5%

PREFABRICATED BUILDINGS AND STRUCTURES	50.3	WFP	19.6	39.0%
PERMANENT BUILDINGS AND STRUCTURES	38.3	UNDP	19.6	51.2%
STRUCTURAL MATERIALS	32.9	UNHCR	27.2	82.7%
ELECTRICAL EQUIPMENT AND COMPONENTS AND SUPPLIES	25.5	UNPD	6.6	25.9%
RESIDENTIAL BUILDING CONSTRUCTION SERVICES	25.0	UNRWA	13.1	52.4%
TOP 10 TOTAL	1,400.0		645.3	
GRAND TOTAL	1,956.1			

Source: 2019 Annual Statistical Report on United Nations Data
https://www.ungm.org/Shared/KnowledgeCenter/Pages/asr_data

Customs, Regulations and Standards

Import Tariffs

In general terms, the United Nations is exempt from customs duties on items imported or exported for its official use. This exemption was established by the “Convention on the Privileges and Immunities of the United Nations,” which was adopted by the UN General Assembly in 1946. The mechanism for this exemption, however, varies from country to country. In some places the UN is fully exempt from the onset and in others the UN pays duty and get reimbursed by the government on a periodic basis. Companies should consult the terms of their tender or purchase to confirm whether the terms of sale include any reimbursable tariffs or value added taxes.

U.S. Export Controls

As with all U.S. exports, sales to the United Nations are subject to U.S. export regulations. U.S. companies are responsible for determining whether the shipment requires an export license from a U.S. government entity. Exporters should learn which federal department or agency has jurisdiction over the item they are planning to export in order to find out if a license is required. The granting of a license will be dependent on several factors including what item is being exported and to which country it is being exported. U.S. companies applying for an export license related to a UN sale may be asked to provide a letter from the UN confirming the terms of sale and specifying the end user.

The United States imposes export controls to protect national security interests and promote foreign policy objectives related to dual-use goods through implementation of the Export Administration Regulations (EAR). The Bureau of Industry and Security (BIS) is comprised of two elements: Export Administration (EA), which is responsible for processing license applications, counselling exporters, and drafting and publishing changes to the [Export Administration Regulations](#); and Export Enforcement (EE), which is responsible for the enforcement of the EAR. BIS works closely with U.S. embassies, foreign governments, industry, and trade associations to ensure that exports from the United States are secure and comply with the EAR. BIS officials conduct site visits, known as End-Use Checks (EUCs), globally with end-users, consignees, and/or other parties to transactions involving items subject to the EAR to verify compliance.

An EUC is an on-site verification of a non-U.S. party to a transaction to determine whether the party is a reliable recipient of U.S. items. EUCs are conducted as part of BIS’s licensing process, as well as its compliance program, to

determine if items were exported in accordance with a valid BIS authorization or otherwise consistent with the EAR. Specifically, an EUC verifies the *bona fides* of transactions subject to the EAR, to include: confirming the legitimacy and reliability of the end use and end user; monitoring compliance with license conditions; and ensuring items are used, re-exported or transferred (in-country) in accordance with the EAR. These checks might be completed prior to the export of items pursuant to a BIS export license in the form of a Pre-License Check (PLC), or following an export from the U.S. during a Post-Shipment Verification (PSV).

BIS officials rely on EUCs to safeguard items subject to the EAR from diversion to unauthorized end uses/users. The verification of a foreign party's reliability facilitates future trade, including pursuant to BIS license reviews. If BIS is unable to verify the reliability of the company or is prevented from accomplishing an EUC, the company may receive, for example, more regulatory scrutiny during license application reviews or be designated on BIS's Unverified List or Entity List, as applicable.

BIS has developed a list of "red flags", or warning signs, and compiled "Know Your Customer" guidance intended to aid exporters in identifying possible violations of the EAR. Both of these resources are publicly available, and their dissemination to industry members is highly encouraged to help promote EAR compliance.

BIS also provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two-day seminars that focus on the basics of exporting to coverage of more advanced, industry specific topics. Interested parties can check a [list of upcoming seminars and webinars](#) or reference BIS provided [online training](#).

BIS and the EAR regulate transactions involving the export of "dual-use" U.S. goods, services, and technologies. For advice and regulatory requirements, exporters should consult the other U.S. Government agencies which regulate more specialized items. For example, the U.S. Department of State's Directorate of Defense Trade Controls has authority over defense articles and services, or munitions. A list of other agencies involved in export control can be found on the [BIS website](#) or in Supplement No. 3 to Part 730 of the EAR.

The EAR is available on the [BIS website](#) and on the [e-CFR](#) (Electronic Code of Federal Regulations) and is updated as needed.

The [Consolidated Screening List](#) (CSL) is a list of parties for which the United States Government maintains restrictions on certain exports, reexports or transfers of items. The CSL consolidates eleven export screening lists of the Departments of Commerce, State and the Treasury into a single data feed as an aid to industry in conducting electronic screens of parties to regulated transactions. Exporters are encouraged to classify their items prior to export, as well as consult the CSL to determine if any parties to the transaction may be subject to specific license requirements.

Selling US Products & Services

Distribution & Sales Channels

The United Nations has offices and missions around the world. UN solicitation documents will state the expected delivery terms, including the delivery date, place of delivery, delivery terms for goods as per the appropriate Incoterms for delivery of goods, other delivery conditions, if any; and, to the extent possible, the preferred method of delivery for the required goods, services, or works. American companies must be prepared to meet all the specified delivery requirements, which may also include the provision of an export license.

Selling Factors & Techniques

The United Nation's central procurement portal, United Nations Global Marketplace (www.ungm.org), publishes a number of online resources to help suppliers familiarize themselves with UN procurement policies and procedures. We recommend familiarizing yourself with this website and the resources available.

Of particular note is the "Doing Business with the UN agencies" and the "UN Procurement Practitioner's Handbook," which can be found by a search on www.ungm.org. These guidelines ultimately play into the contracting phase, so it's important to review them early in the process.

Finally, the following practical tips are recommended when preparing and submitting proposal documents:

- Keep in mind that the UN awards contracts based on value for money, not lowest price.
- Read through multiple procurement notices and contract awards, even outside your industry, to familiarize yourself with the language and requirements.
- Always respond when invited to submit an offer in order to keep your organization relevant even if you should not be in a position to participate. Beginning with bids on smaller contracts, in order to establish a track record, is recommended.
- Study the documents carefully and ask for clarification if there is any uncertainty.
- Ensure that your offer meets all the requirements (including quality certificates, financial statements, catalogues, submission forms etc.,) in the requested format and language.
- Meet the submission deadline.
- Attend bidders conference and public bid openings when invited.
- Have patience — the UN procurement process can be lengthy, and several checks and balances are built into the approval and procurement process.
- Request feedback — if you participate in a high value solicitation (more than

- \$200,000) and you receive a letter of regret, you may request a debriefing. Requests must be made in writing within ten business days. Contact the U.S. Commercial Service New York office for assistance, if necessary.

Trade Promotion & Advertising

We recommend contacting the U.S. Commercial Service New York office to discuss your interest in trade promotion opportunities within the United Nations system. That office organizes UN procurement seminars during which attendees receive an introduction to UN procurement and have the opportunity to engage with UN procurement officials.

Additionally, there are a growing number of trade shows focused on humanitarian aid and development that have applicability in the UN context. For example, you may want to consider:

- AIDEX hosts three annual events in Brussels and Nairobi and offers a platform for professionals in humanitarian aid and international development. <https://www.aid-expo.com/>
- AIDF Global Summit hosts an annual event in Washington, D.C., and offers a platform of global expertise and cross-sector engagement for representatives from the UN, government agencies, development banks, national and international NGOs, civil societies, research institutes, the private sector, and media. <http://disaster-relief.aidforum.org/>

Principle Business Associations

The International Chamber of Commerce (ICC) is a membership association focused on promoting international trade, responsible business conduct, and a global approach to regulation. The ICC the only business organization admitted as an Observer at the United Nations General Assembly. <https://iccwbo.org/>

Business Council for International Understanding (BCIU) is a nonpartisan, U.S.-based organization that works to expand international trade and commerce. It does this by helping its member companies engage internationally and by facilitating mutually beneficial relationships between business and government leaders worldwide.

<http://www.bciu.org>

The United States Council for International Business (USCIB) is a U.S.-based membership organization dedicated to advancing the global interests of American business. <http://www.uscib.org/>

Limitations on Selling US Products and Services

There are no limitations on selling U.S. products and services at the United Nations. In fact, American companies regularly capture the largest share of UN procurement (\$1.7 billion or 8.7 percent in 2019). However, U.S. companies should be aware that UN General Assembly Resolution 57/279 (2005) on procurement reform encourages UN organizations to increase opportunities for suppliers from developing countries and countries with economies in transition. In 2007, General Assembly Resolution 61/246, reiterated the request to consider procurement from developing countries. In response, UN organizations have placed more orders with suppliers from these countries.

Web Resources

United Nations Global Marketplace: www.ungm.org

U.S. Commercial Service New York: www.export.gov/newyork & www.export.gov/unitednations

U.S. Mission to the United Nations: <https://usun.state.gov>

Protecting Intellectual Property

In any foreign market, companies should consider several general principles for effective management of their intellectual property. For background on these principles please see our article on Protecting Intellectual Property and also Corruption.

In any foreign market companies should consider several general principles for effective protection of their intellectual property. For additional information, visit Stopfakes.gov [website](#) or [contact ITA's Office of Intellectual Property Rights Director, Stevan Mitchell at \[Stevan.Mitchell@trade.gov\]\(mailto:Stevan.Mitchell@trade.gov\)](#).

Selling to the Public Sector

The United Nations is a multilateral international organization financed by contributions from its 193 member states. The broader UN system, which includes many affiliated programmes, funds, and specialized agencies, is financed through voluntary rather than assessed contributions.

Buying within the UN system is carried out by procurement teams, who are responsible for all actions necessary for the acquisition, by purchase or lease, of property, including products and real property, and of services, including works.

The procurement rules and procedures of the various organizations reflect institutional differences as well as differences in size, activities and years of existence. However, common principles are applicable throughout the system of organizations. The one most significant common denominator for the UN system is that it operates with "public funds," requiring that equal opportunity to participate be given to potential suppliers from all member countries.

U.S. Government Assistance

The U.S. Commercial Service New York (U.S. Department of Commerce) and the U.S. Mission to the United Nations (U.S. Department of State) manage a joint program to assist U.S. companies with UN procurement. Together, the U.S. Commercial Service and the U.S. Mission to the UN provide American businesses with 1) greater access and exposure to the United Nations procurement market, 2) individual vendor counseling and access to UN Procurement Officials, 3) U.S. Government advocacy for the use of U.S. technology and products in UN operations, and 4) support for a fair and transparent UN bidding process.

Additionally, the U.S. Commercial Service New York organizes UN procurement seminars and webinars during which attendees receive an introduction to UN procurement and have the opportunity to engage with UN procurement officials.

Market challenges associated with UN procurement, including international competition, conservative vendor selection, lengthy business development cycles, and sustainable development goals, should be reviewed when considering a UN procurement project.

Please visit: www.export.gov/unitednations or contact the U.S. Commercial Service New York City office for additional information.

U.S. companies bidding on Government tenders may also qualify for U.S. Government advocacy. A unit of the U.S. Commerce Department's International Trade Administration, the Advocacy Center coordinates U.S. Government interagency advocacy efforts on behalf of U.S. exporters bidding on public sector contracts with international governments and government agencies. The Advocacy Center works closely with our network of the U.S. Commercial Service worldwide and inter-agency partners to ensure that exporters of U.S. products and services have the best possible chance of winning government contracts. Advocacy assistance can take many forms but often

involves the U.S. Embassy or other U.S. Government agencies expressing support for the U.S. bidders directly to the foreign government. Consult Advocacy for Foreign Government Contracts for additional information.

Business Travel

Information on business travel related to United Nations projects is specific to the countries in which the projects are conducted, not to the United Nations itself. As such, many segments of a traditional Country Commercial Guide are not included here. To learn about these aspects of doing business in countries of interest to your firm see the “Business Travel” section of each country’s Country Commercial Guide.

Business Customs

Understanding ethical guidelines is essential to procurement within the United Nations system. All UN staff members make a written declaration that they will “exercise in all loyalty, discretion and conscience the functions entrusted to the [staff member] as an international civil servant of the United Nations, to discharge these functions and regulate [their personal] conduct with the interest of the United Nations only in view, and not to seek or accept instructions in regard to the performance of [the staff member’s] duties from any Government or other source external to the organization.”

Of particular importance to suppliers wishing to do business with the UN is the prohibition on gifts. Staff members acting in an official procurement capacity must not be placed in a position where his/her actions may constitute or could be reasonably perceived as reflecting favorable treatment to an individual or entity by accepting gifts and hospitality or other similar considerations. No procurement officer or staff member involved in any aspect of procurement may accept any gift from any outside source that is soliciting business with the United Nations, regardless of the value. All staff members involved in procurement shall decline offers of gifts, including drinks, meals, tickets, hospitality, transportation, or any other form of benefits, even if it is in association with an “official working visit.”

Travel Advisory

If you are traveling to an overseas bidder’s conference or for other work related to a United Nations mission or tender, please consult the U.S. Department of State for any relevant travel warnings:

<https://travel.state.gov/content/passports/en/alertswarnings.html>.

Currency

Bids, proposals and quotations submitted in different currencies will be converted into a single currency, usually U.S. dollars, using the United Nations operational rate of exchange in effect at the date specified in the solicitation document.

Language

Arabic, Chinese, English, French, Russian and Spanish are the six official languages of the United Nations. English and French are the working languages of the United Nations Secretariat and are used in day-to-day professional exchanges. Most UN tenders published on United Nations Global Marketplace are published in English, although there are certainly exceptions, especially for solicitation documents issued directly by a country office. Companies bidding on tenders are expected to be able to conduct business in the local language.

Political Environment

The U.S. Mission to the United Nations (USUN) serves as the United States' delegation to the United Nations. USUN is responsible for carrying out the nation's participation in the world body. In 1947 the United States Mission was created by an act of Congress to assist the President and the Department of State in conducting United States policy at the United Nations. Since that time, USUN has served a vital role as the Department of State's UN branch. For additional information about the USUN, please visit <https://usun.state.gov>.