

UNIDO SPX Programme

Project Overview

10 September 2009



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



UNIDO Background and Purpose

- ▶ UNIDO Purpose is to improve the quality of life of the world's poor by helping countries achieve sustainable industrial development
- ▶ Organization chartered by United Nations in 1966, with 173 Member States and programmes in 42 countries
- ▶ UNIDO Subcontractor and Procurement Exchange Programme operating since 1981 with over 70 programmes in 45 countries.



UNIDO Background and Purpose (Cont.)

- ▶ Consolidated a range of enterprise development experiences around the world and offer access to a global network of experts directly involved in the sector
- ▶ UNIDO entered South Africa - DTI invitation to help facilitate strategies for sustainable local supplier content (CSDP)
- ▶ CSDP Objectives – The purpose of the Competitive Supplier Development Programme is to encourage large-scale buyers to support localization through increasing purchase of local produced content



Support for purchase of locally produced content

- In 2007 DTI and DPE established national policy to support import substitution and increasing purchase of locally manufactured products.
- In 2008 Transnet and Eskom implemented the Competitive Supplier Development Programme (CSDP) to leverage state spending on infrastructure projects to identify opportunities to link local suppliers to large capital expenditures
- In 2008 Unido was requested to implement a series of tools and initiatives to align local suppliers with buyer networks in support of CSDP
- In mid 2009 Key local industrial associations began collaborating with the initiative to offer their network of suppliers access to key tools and assistance in the matchmaking process



Key Programme Tools

Supplier support

- ❑ The SPX Supplier Profiling tool
- ❑ The Supplier Benchmarking and Assessment Tool
- ❑ Assist in linking suppliers to industrial development support

Industrial Association support

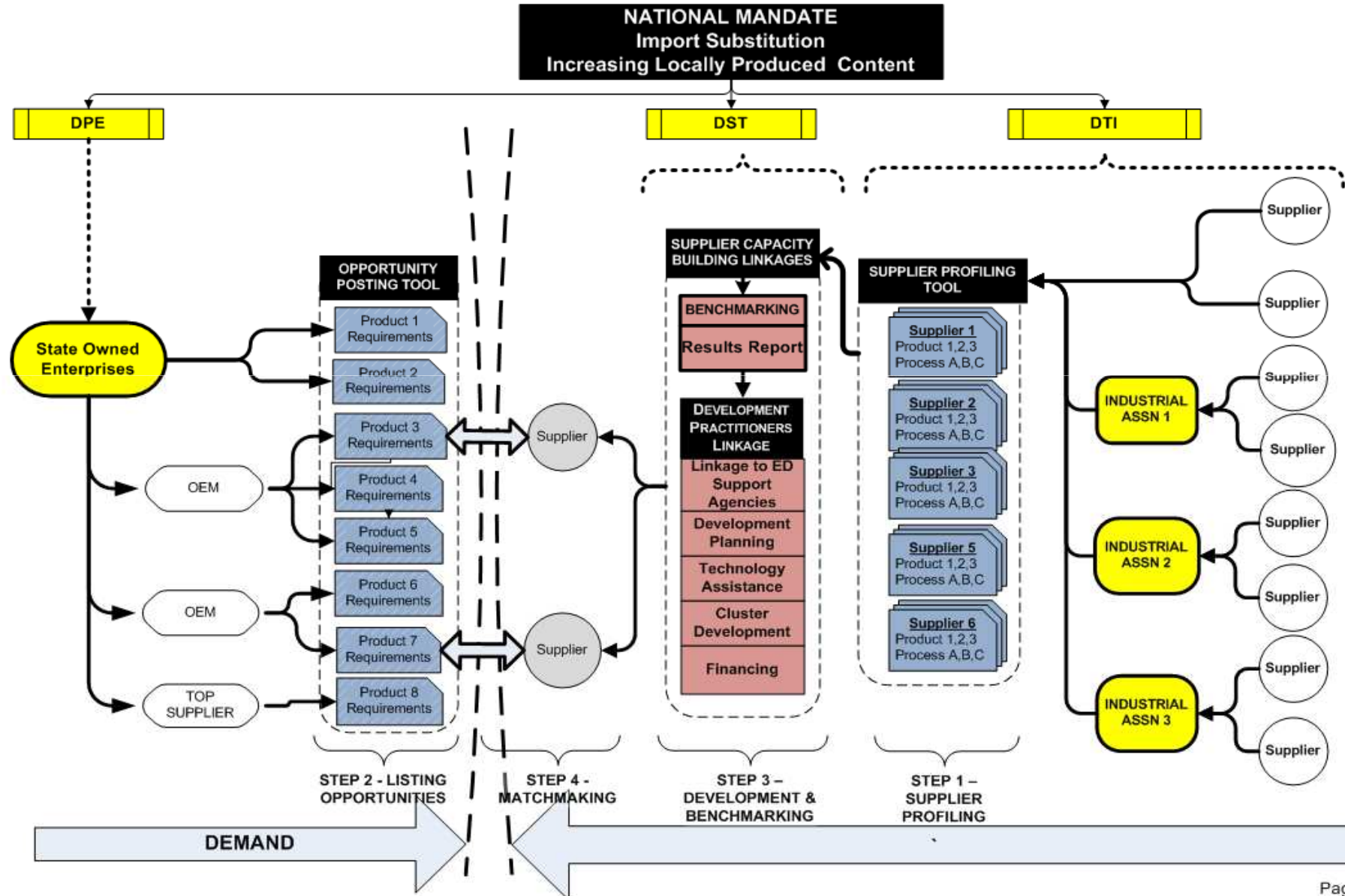
- ❑ Establishing SPX Support Centers to roll out Supplier support tools through collaborations with key industrial associations
- ❑ Training and tech support for rollout of programme tools

Buyer Support

- ❑ Assist top tier companies to identify opportunities to localize their supply chain
- ❑ Support matchmaking linkages between buyer and supplier networks
- ❑ Facilitate alignment between buyers and suppliers
- ❑ Matchmaking tracking and information sharing system



UNIDO SPX SUPPLIER MATCHMAKING PROGRAMME FRAMEWORK





Key Programme Partnerships

- ▶ **Government Support**
 - Department of Public Enterprise – Direct Project Sponsor
 - Department of Trade and Industry – National Counterpart
 - Department of Science and Technology – Technical
 - *Provincial government departments*
- ▶ **Key National Industry Companies**
 - Transnet Freight (SoE Rail and Harbour freight carriage)
 - Eskom (SoE Energy Supplier)
 - *Sasol (Petrol-based energy supplier)*
 - *Pebble-Based Modular Reactor (Nuclear energy suppliers)*
- ▶ **Key Manufacturing sector industrial Associations**
 - NFTN (National Foundry Technology Network)
 - NTIP (National Tooling Initiative Programme)
 - SAISC (SA Inst. For Steel Construction)
 - CEEC (Capital equipment export Cluster)
 - *CDA (Copper Development Association)*
 - *EEAIA (Electrical Engineering Assn)*
 - *SASSDA*
 - *AFSA*
 - *PlasFed*
 - *NAACAM*



Collaborating with Industrial Associations to form local linkages

- ▶ What UNIDO offers to Industrial Associations
 - Supplier profiling tool to share local supplier details with relevant buyers
 - Access to supplier benchmarking tool to assess suppliers against global markets
 - Technical support
 - Potential matchmaking opportunities with relevant agencies

- ▶ What industrial associations offer
 - Industry and technical expertise
 - Knowledge of suppliers within their networks
 - Ability to short-list
 - Ability to handhold suppliers through the programme process



SPX Supplier Profiling Tool

Purpose

- System established in 2002 and is currently used in amongst others India, Turkey and China
- Web-based system to consolidate and present a detailed list of supplier products and production processes and make this list available to relevant buyers
- Stimulate Buyer interest in local suppliers

Strategy

- Form affiliations through supplier associations in key sectors
- Establish licensed SPX representatives through the associations to conduct profiling on behalf of their network of suppliers
- Utilize these profiles to help buyers identify relevant opportunities
- Utilize SPX web-based supplier profiling system to capture suppliers
- Enable controlled access to authorized buyer networks

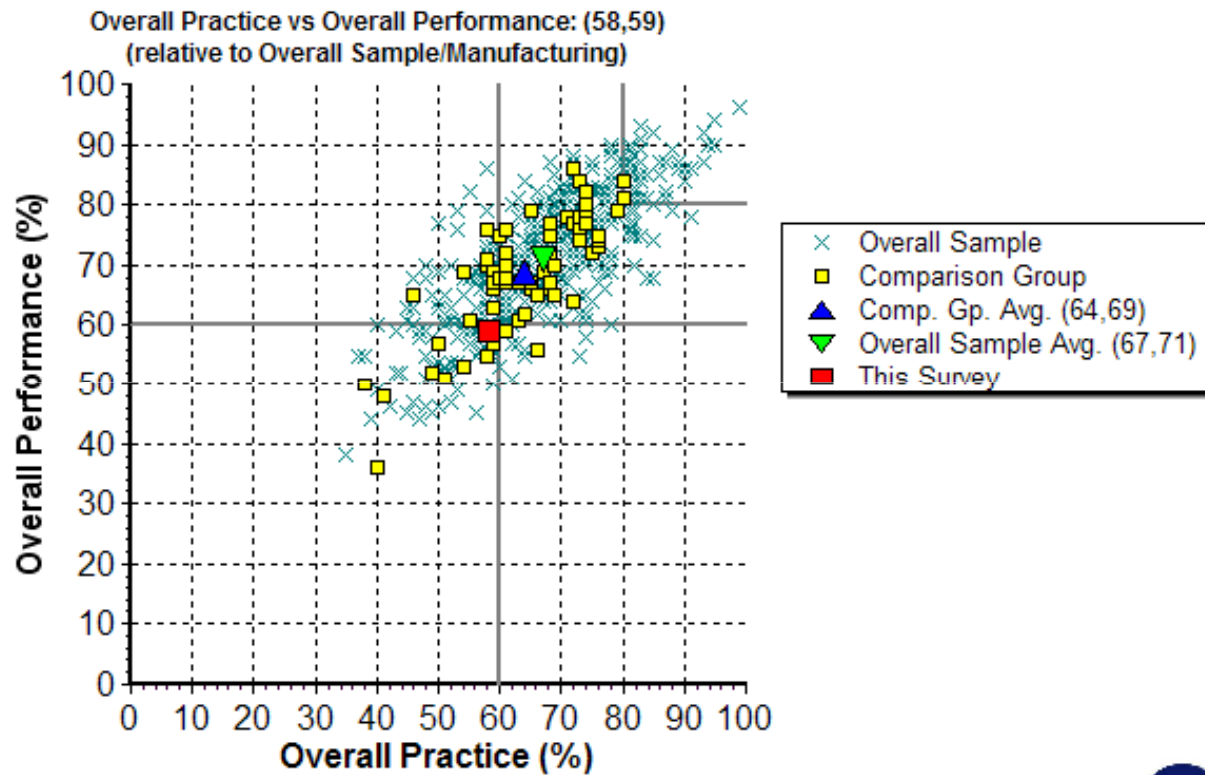


Benchmarking Tool

- ▶ Comparison International Ltd and Winning Moves Ltd are leading providers of international business benchmarking tools.
- ▶ In last decade CIL and WML has provided business benchmarking tools to 40 countries, trained over 4500 business advisors to use the tools and gathered a sample of over 40,000 sets of international data
- ▶ Currently the tool is active across 18 countries including Australia, USA, UK, Ireland, Portugal, Germany, Brazil, Korea



Supplier development



Confidential

Facilitator: Phil Hanson/CIL

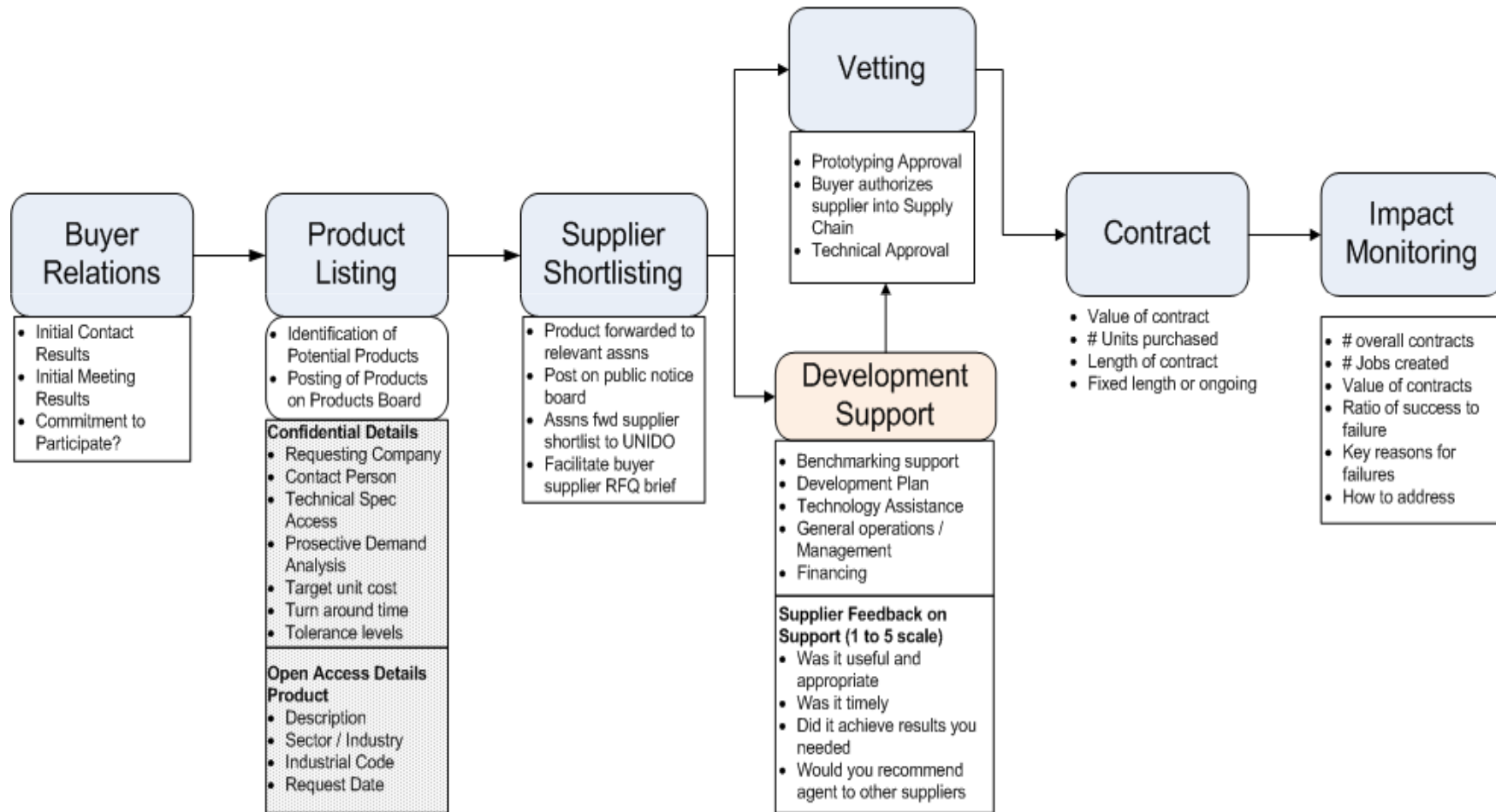
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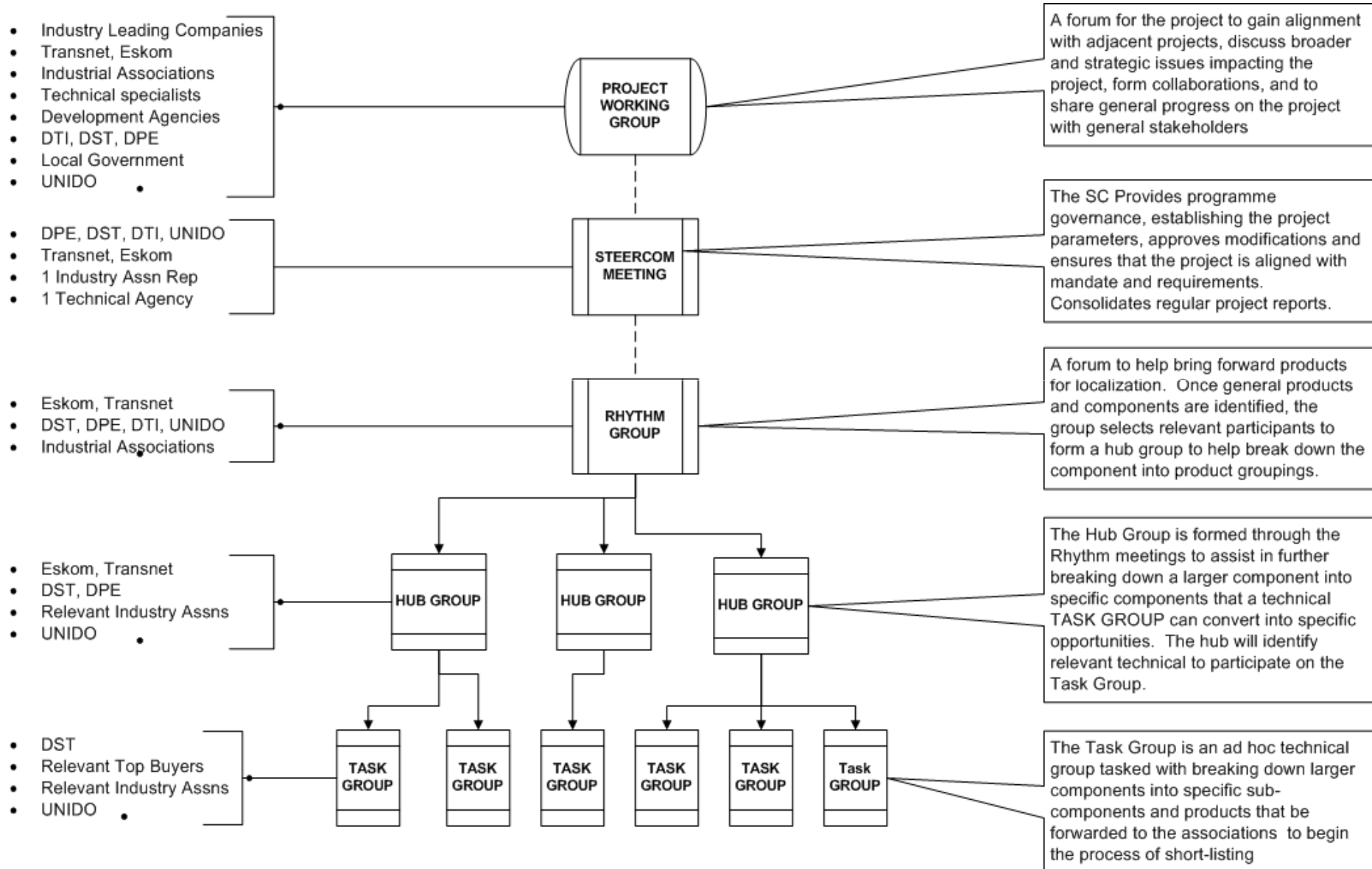


BUYER SUPPLIER MATCHMAKING TRACKING TOOL





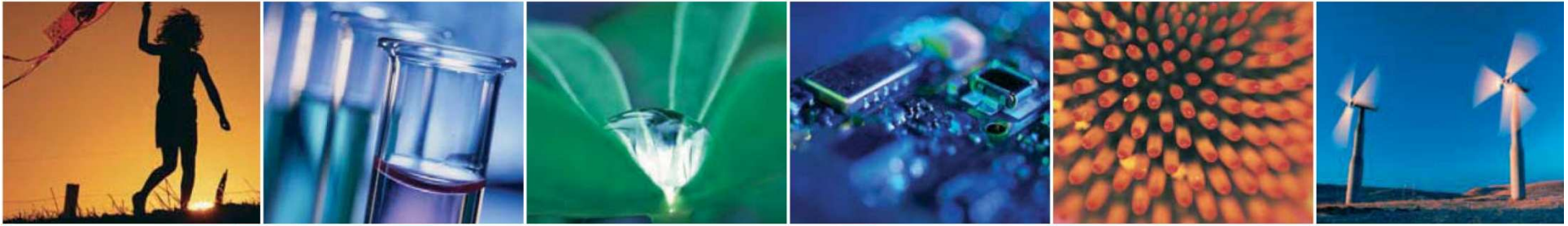
Governance structure





18 Month Key Project Objective (- Dec 10)

Key Project Goals	Current Status
Over 10 collaborating industrial associations to establish SPX Support Centres	(5 currently participating)
Over 125 listed opportunities – 8 hubs established	5 active opportunities listed – 1 hub established
300 Suppliers benchmarked (training scheduled mid Sep)	Training of 12 local benchmarkers and 1 technical specialist
50 suppliers linked to technical development support (establishing a web-based database of supplier development agencies)	
30 Matchmaking linkages	2 at final stages – awaiting contract
Sustainable transfer of project locally	
Africa region linkages to project	



Thank You

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