



2019 ANNUAL STATISTICAL REPORT

ON UNITED NATIONS PROCUREMENT



2019 ANNUAL STATISTICAL REPORT

ON UNITED NATIONS PROCUREMENT



Copyright © 2020
UNOPS, Marmorvej 51,
2100 Copenhagen, Denmark

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted, in any form or by any means, electronic, photocopying, recording or otherwise, without prior permission of UNOPS.

Front cover: **Myanmar** © UNOPS/John Rae

TABLE OF CONTENTS

1 Introduction

5 Who does procurement within the United Nations system?

15 What did the United Nations procure in 2019?

27 Who supplied the United Nations in 2019?

43 How does the United Nations system do procurement?

57 Find out more

61 Appendix

■ INTRODUCTION





Colombia © UNOPS/John Rae

INTRODUCTION

The Annual Statistical Report on United Nations Procurement (ASR) provides an overview of the procurement of the United Nations (UN) system in support of its operations, projects and programmes.

Reporting on UN procurement activities was first presented to the 39th session of the General Assembly in 1984, and was prepared by the Inter-Agency Procurement Services Office (IAPSO) of the United Nations Development Programme (UNDP). Later that year, the General Assembly established the need for continued reporting on procurement activities undertaken by UN organizations. Since 2008 the report has been compiled by the United Nations Office for Project Services (UNOPS).

This report evolved from being a section in the 'Operational Activities of the UN System' report into comprehensive reporting on procurement by almost 40 organizations. Since 2015 the report has been supplemented by online reporting of statistics in collaboration with the United Nations Global Marketplace (UNGM). This 36th edition of the report presents an analysis of key trends in UN procurement and is complemented by the full statistics published online in interactive dashboards.

The ASR includes a breakdown of procurement by UN organization, information on categories of goods and services procured by the UN system, the countries from which these goods and services were procured and analysis of collaboration within the UN. It also contains information on organizations' efforts to integrate sustainability considerations into their procurement processes, in the context of the UN's continued focus on sustainable development. For the first time this year the report also includes a number of stories highlighting the impact of procurement by showcasing a variety of projects and related outcomes from the organizations United Nations Population Fund (UNFPA), UNOPS, United Nations Educational, Scientific and Cultural Organization (UNESCO) and the International Trade Centre (ITC).

UNOPS is grateful to participating UN organizations for their continued support and contributions that make this publication possible, as well as their combined efforts to improve data quality and comparability of the information each year.

For more detailed statistics, interactive dashboards and previous reports, visit www.ungm.org/asr.

¹A/39/417

²A/RES/39/220

WHO DOES
PROCUREMENT
WITHIN THE
UNITED NATIONS
SYSTEM?



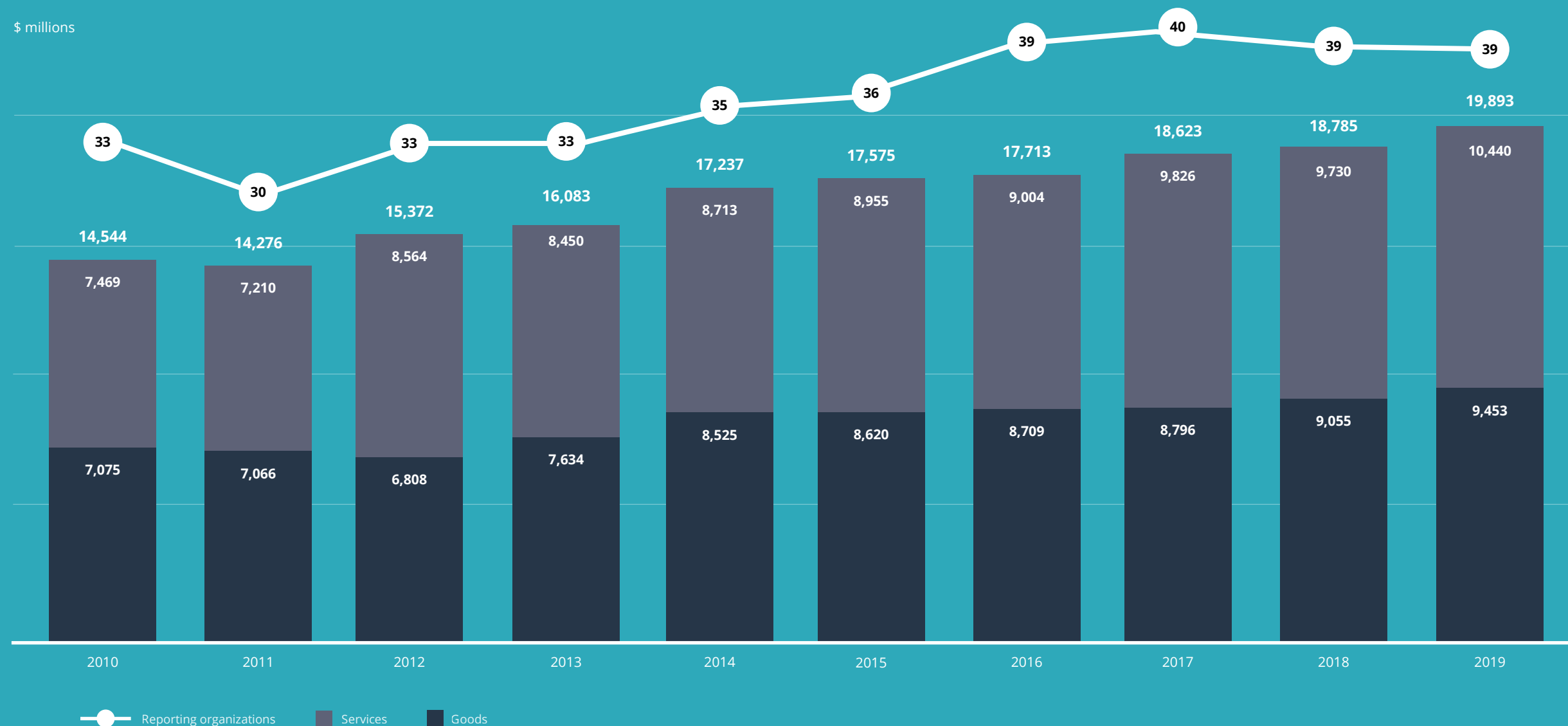
TOTAL UNITED NATIONS PROCUREMENT IN 2019

UN organizations procured \$19.9 billion worth of goods and services in 2019 — an increase of 5.9 per cent, or \$1.1 billion, compared to 2018. This is the largest increase since 2008, factoring in changes in reporting organizations. Goods procurement increased by \$398 million (4.4 per cent), while services increased by \$710 million (7.3 per cent). Figure 1 shows the trend in procurement over the last 10 years.

In 2019, the same 39 organizations reported as in 2018. Since 2016, those organizations have collectively increased their combined procurement volume by 12.3 per cent, from \$17.7 billion to \$19.9 billion in 2019.

The increase in procurement in 2019 was driven by an overall increase by most reporting organizations, as 33 of the 39 had an increase in volume. The three with the largest increases were United Nations Children’s Fund (UNICEF), UNOPS and World Health Organization (WHO), which together accounted for 60.7 per cent of the total increase, at \$672 million.

Figure 1. Total procurement of goods and services, and number of reporting organizations, 2010-2019



PROCUREMENT BY ORGANIZATIONS OF THE UNITED NATIONS SYSTEM

The UN system consists of a variety of organizations from specialized agencies, funds and programmes to research and training entities. Each has a different structure and procurement approach depending on its mandate, and only the key organizations in terms of procurement are represented in this report. Some organizations have predictable and stable procurement volumes, categories and global footprints, while others may be project-based or sensitive to global events, resulting in more variable volumes, categories and supplier countries. The procurement volume for each organization (as well as respective shares of procurement from developing countries, countries with economies in transition and least developed countries (LDCs)) is shown in Table 1.

For 2019, all but six organizations reported an increase in procurement volume. The 33 organizations with higher volumes had a combined increase of \$1.3 billion in 2019 compared to 2018, while the remaining six organizations saw their procurement volume decrease by a combined total of \$200 million.

UNICEF was the organization with the largest increase in procurement volume, which increased by \$340 million to \$3.8 billion in 2019. UNICEF thus became the largest organization by procurement volume, which in 2018 had been the World Food Programme (WFP). This increase can be attributed mainly to an additional \$206 million worth of vaccines, within the category of *Pharmaceuticals, contraceptives and vaccines* from India, France and the United States of America. UNICEF also had an increase of \$128 million of *Financial and insurance services* in Yemen, and \$79 million of *Medical equipment* mainly from suppliers in Switzerland, China and Germany.

The second-largest increase for 2019 was seen by UNOPS, with an increase of \$174 million, or 18.9 per cent. The main driver was increases in *Building and maintenance services* of \$84 million, especially *Heavy construction services* in Yemen, Costa Rica and Jordan (in that order), with a combined volume of \$57 million. UNOPS also had increases in *Fuel and lubricants* procurement from Israel (\$62 million), and a \$34 million increase in *Transportation, storage and mail services* in relation to the 2019 Pan American Games in Peru.

WHO recorded the third-largest increase of \$158 million, or 21.5 per cent compared to 2018, with increased procurement in 27 out of 37 categories. The largest increases were in the categories of *Pharmaceuticals, contraceptives and vaccines* (\$45 million), *Medical equipment* (\$43 million) and *Management and administrative services* (\$33 million). The supplier countries with the largest increases were Denmark, Democratic Republic of the Congo, and Switzerland, in that order.

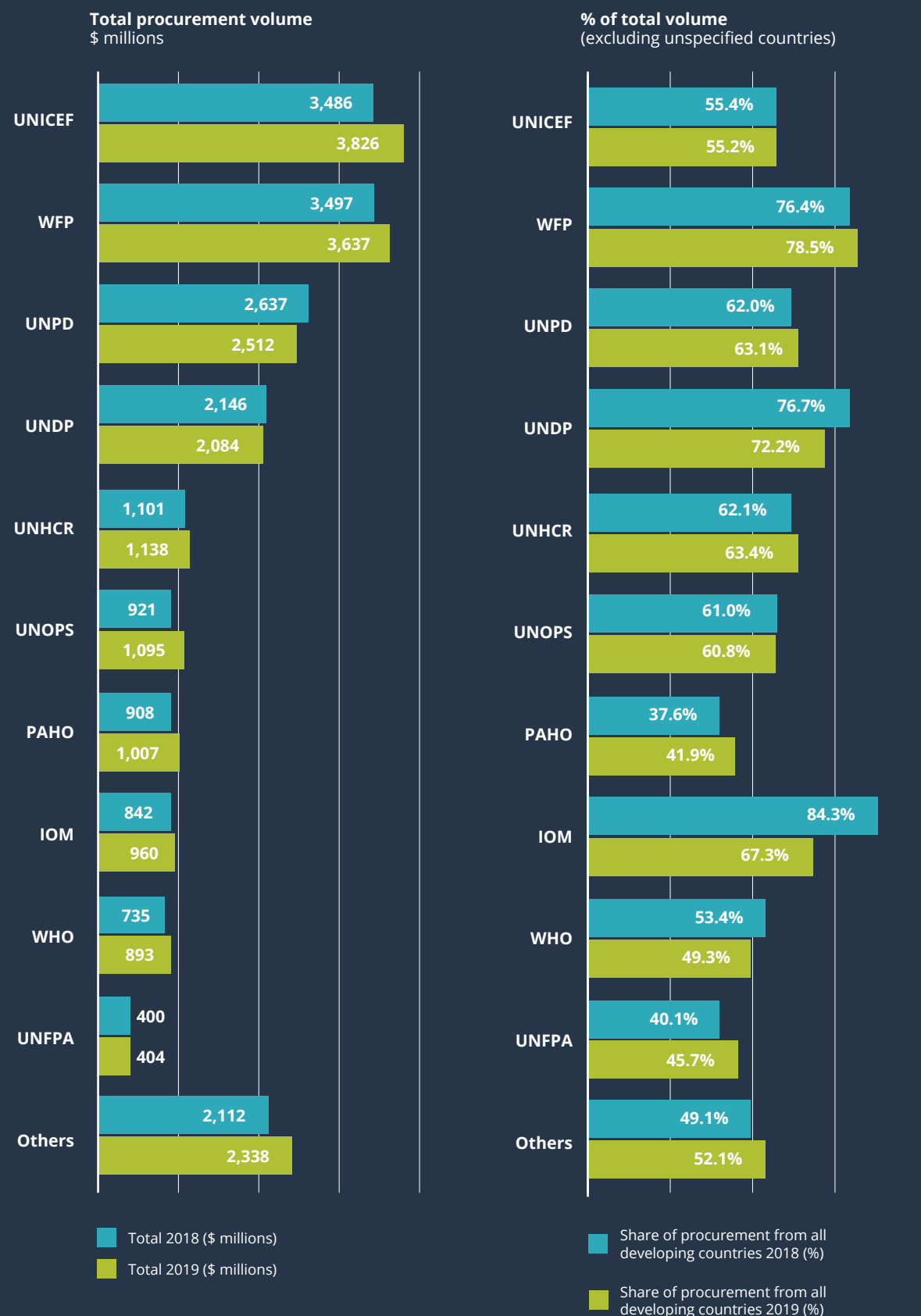
Table 1. Procurement by UN organization, 2019

Organization	Total (\$ millions)	Total change 2018-2019 (%)	Share of procurement from developing countries, countries with economies in transition and LDCs (%)
UNICEF	3,825.7	9.7%	55.2%
WFP	3,636.6	4.0%	78.5%
UNPD	2,511.6	-4.7%	63.1%
UNDP	2,083.9	-2.9%	72.2%
UNHCR	1,138.3	3.4%	63.4%
UNOPS	1,095.1	18.9%	60.8%
PAHO	1,006.5	10.9%	41.9%
IOM	959.7	14.0%	67.3%
WHO	893.2	21.5%	49.3%
UNFPA	404.2	1.0%	45.7%
FAO*	388.8	3.3%	78.9%
UNRWA	264.2	17.5%	87.5%
ILO	262.5	20.7%	72.8%
IAEA	186.9	11.7%	7.1%
UNIDO	151.7	-6.1%	43.7%
UNOG	149.0	4.4%	1.7%
UN WOMEN	142.8	12.0%	62.7%
WIPO	125.5	2.1%	8.7%
UNESCO	122.8	9.1%	57.0%
UNOV	118.4	14.5%	74.7%
UNON*	63.2	19.5%	71.0%
IFAD	52.9	8.6%	14.8%
ITU	48.3	3.6%	3.3%
UNAIDS	31.7	12.4%	47.7%
ITC	27.0	41.5%	40.2%
UNECA	23.8	25.5%	65.1%
OPCW	22.4	-4.6%	5.0%
UNFCCC	22.3	77.5%	18.1%
ESCAP	21.6	19.7%	88.7%
IMO	21.4	147.0%	41.9%
ICTY	19.8	37.2%	12.4%
WMO	15.9	5.0%	4.2%
UPU	13.6	-2.9%	14.3%
ECLAC	12.3	19.2%	82.4%
UNU	10.2	30.3%	19.9%
ESCWA	8.4	43.1%	90.0%
UNV	7.2	-5.6%	2.3%
UNWTO	2.5	2.9%	4.6%
UNAKRT	0.8	17.8%	65.7%
UN TOTAL	19,892.6	5.9%	62.1%

Note: Calculation of share of procurement from developing countries, countries with economies in transition and LDCs excludes data where the supplier country is unknown.

* Supplier country known for only part of data (FAO 93%, UNON 97% by volume).

Figure 2. Procurement by UN organization from developing countries, countries with economies in transition and least developed countries, 2018-2019 (top ten organizations by total procurement volume)



View procurement profiles of all reporting organizations at www.unqgm.org/asr

In 2019, the largest decrease in volume, in percentage terms, was 6.1 per cent, by the United Nations Industrial Development Organization (UNIDO), related mainly to a decrease in environmental services from China.

The largest decrease, in absolute terms, was reported by the United Nations Procurement Division (UNPD), down \$125 million, with decreases in *Prepared and preserved foods*, within the *Food and beverage segment*, from the United Arab Emirates and Panama; *Fuels and lubricants* from Kenya and South Sudan; and *Insurance and retirement services* from the United States of America.

UNDP procurement decreased by \$63 million, or 3.0 per cent, from the previous year. This was due largely to a decrease of \$174 million in *Building and maintenance services* in Iraq, following increases in previous years linked to an infrastructure reconstruction project.

Six organizations reported increases in procurement volume of over 30 per cent compared to 2018. The largest percentage increase was seen by the International Maritime Organization (IMO), with 147.0 per cent, or \$13 million, explained in part by recovery after a large drop in procurement in 2018, and by an increase in project delivery in 2019. Key categories for IMO in 2019 were *Education and training services* (\$6.8 million), *Travel, food and lodging* (\$3.3 million), and *Office equipment* (\$2.4 million).

The largest 10 organizations by procurement volume in 2019 accounted for \$17.6 billion (88.2 per cent) of total procurement volume, compared to \$16.7 billion (88.8 per cent) in 2018. Figure 2 shows the 10 largest organizations by volume, and their proportion of procurement from LDCs, developing countries and countries with economies in transition. Five organizations increased their proportion of procurement from those countries in 2019, compared to 2018.

In absolute terms, WFP procured the most from developing countries, countries with economies in transition and LDCs in 2019 (\$2.9 billion out of a total \$3.6 billion), followed by UNICEF and UNPD. WFP procurement from those countries increased from 76.4 per cent to 78.5 per cent in 2019, with 36.4 per cent of that volume procured from LDCs.

Of the organizations with a procurement volume of more than \$100 million, the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) recorded the highest proportion of procurement (87.5 per cent, or \$231 million) coming from developing countries, countries with economies in transition and LDCs, an increase over 2018, when 81.3 per cent (\$183 million) was procured from those countries.

HIGHLIGHT STORY: UNFPA

PROCUREMENT FOR HUMANITARIAN RESPONSE

In the last decade there has been a dramatic increase in the frequency of natural disasters, more than half of which occurred in the Asia Pacific region. To improve the speed, quality and efficiency of emergency responses UNFPA has partnered with the Australian Government to implement a regional pre-positioning initiative. Pre-positioning ensures that life-saving supplies are ready for distribution across the region within days, if not hours, of the onset of a disaster.

UNFPA is the custodian of the Inter-Agency Reproductive Health (IARH) Kits containing essential equipment and life-saving medications which provide priority reproductive health services in instances where medical facilities have been destroyed or disrupted during a crisis. IARH Kits are prepositioned alongside UNFPA Dignity Kits, which contain vital supplies such as clean clothes and sanitary pads, that women will need in emergencies.

Since 2016, the Regional Pre-positioning Initiative has distributed more than \$1.5 million worth of IARH and dignity kits that have been utilized in humanitarian response. These supplies reached almost 134,000 people in 54 emergencies across 15 countries. Over 400 people have been trained to better prepare communities for disasters and handle logistics quickly and effectively when a crisis strikes.

\$400,000

UNFPA PROCURED APPROXIMATELY \$400,000 WORTH OF IARH AND DIGNITY KITS AS WELL AS OTHER ITEMS TO RESPOND TO CRISES FOR THIS PROJECT IN 2019.



WHAT DID THE
UNITED NATIONS
PROCURE IN 2019?



PROCUREMENT BY CATEGORY OF GOODS AND SERVICES

UN organizations procure a diverse range of goods and services. At the highest level, the top categories of spend remain largely the same year to year. However, the volume of spend in those categories, and the sub-categories within them, shifts from year to year in response to the evolving demands of the UN system.

For categorization of goods and services the ASR uses the United Nations Standard Products and Services Code (UNSPSC) standard when collecting information from participating organizations on the nature of goods and services procured. The hierarchy of product segments, families, classes and commodities is used for categorizing and reporting on procured goods and services in the report.

Table 2 shows the 10 largest categories, at the highest (segment) level, by procurement volume for 2019. The segments on the list remain largely the same as in 2018, with the exception of *IT and communications equipment*, which moved to 11th place, and was replaced in 10th place by *Financial and insurance services*. While both categories showed an increase in procurement over the previous year, *Financial and insurance services* had a larger increase, driven mainly by UNICEF in Yemen, as explained earlier.

Table 2. Top ten categories of procurement by volume, UNSPSC segment level, 2019

Category (UNSPSC segment level)	Total (\$ millions)	Total change 2018-2019 (%)	Share of procurement from developing countries, countries with economies in transition and LDCs (%)
Pharmaceuticals, Contraceptives, Vaccines	3,239.3	8.1%	39.6%
Transportation, Storage, Mail Service	2,653.6	11.2%	70.9%
Food and Beverage Products	2,070.4	1.1%	84.4%
Management and Admin Services	1,782.3	6.6%	66.1%
Building and Maintenance Services	1,370.2	-1.7%	77.0%
Engineering and Research Services	1,086.5	-1.7%	44.3%
Medical Equipment	740.5	22.4%	43.8%
Fuels and Lubricants etc.	599.5	-5.7%	84.4%
Travel, Food and Lodging	572.0	27.0%	64.1%
Financial and Insurance Services	557.8	34.1%	53.2%
TOP 10 TOTAL	14,672.1		
UN TOTAL	19,892.6		

There was an increase in procurement for seven of the top ten segments in 2019. The largest increases were in the categories of *Transportation, storage and mail services*, *Pharmaceuticals, contraceptives and vaccines*, and *Financial and insurance services* (in order of magnitude of increase).

For *Transportation, storage and mail services*, the increase of \$267 million, or 11.2 per cent in 2019 was due mainly to the International Organization for Migration (IOM) reporting travel expenditure for the first time (\$172 million worth), as part of an effort to increase consistency in reported data from organizations. Other contributing factors were an increase in *Transportation, storage and mail services* by WFP (\$52 million) and UNOPS (\$34 million).

Pharmaceuticals, contraceptives and vaccines, the largest procurement segment since 2010, continued to increase in 2019 after recovering to its 2016 level in 2018. The increase of 8.1 per cent, or \$243 million, in 2019 was driven largely by an increase in the procurement of *Immunomodulating drugs*, mainly by UNICEF, the Pan-American Health Organization (PAHO) and WHO, with increases of \$206 million, \$78 million, and \$45 million, respectively.

Procurement in the *Food and beverage products* segment (the third-largest) continued to rise slightly in 2019, up 1.1 per cent, or \$23 million. The increase was driven by WFP, the largest procurer of these products, with \$1.7 billion and 81.9 per cent of all procurement within the segment in 2019. The largest countries of supply were Turkey, the United Arab Emirates, Yemen and Kenya (in that order), with Turkey and Kenya having the largest increases, \$83 million and \$62 million, respectively.

In the fourth-largest segment, *Management and administrative services*, procurement increased by 6.6 per cent, or \$110 million, without reaching the 2017 level of procurement after a larger decline in 2018. The main procurers of this category were UNDP, UNICEF and Office of the United Nations High Commissioner for Refugees (UNHCR), which together were responsible for 53.0 per cent of total procurement in this segment.

Meanwhile, the segment of *Building and maintenance services* experienced a decrease of \$23 million, or 1.7 per cent in 2019, the first decrease for this category since 2014. *Engineering and research services* procurement decreased for the second consecutive year, by \$19 million, or 1.7 per cent.

Medical equipment and *Fuel and lubricants* altered their positions in 2019 compared to the previous year. The *Medical equipment* segment increased substantially, by 22.4 per cent, due to increases by UNICEF (\$79 million), WHO (\$43 million) and UNOPS (\$9.1 million). In contrast, *Fuel and lubricants* decreased by 5.7 per cent due to decreases by WFP (\$56 million) and UNPD (\$46 million).

PHARMACEUTICALS, CONTRACEPTIVES AND VACCINES

24 of 39

ORGANIZATIONS PROCURED GOODS WITHIN PHARMACEUTICALS, CONTRACEPTIVES AND VACCINES SEGMENT

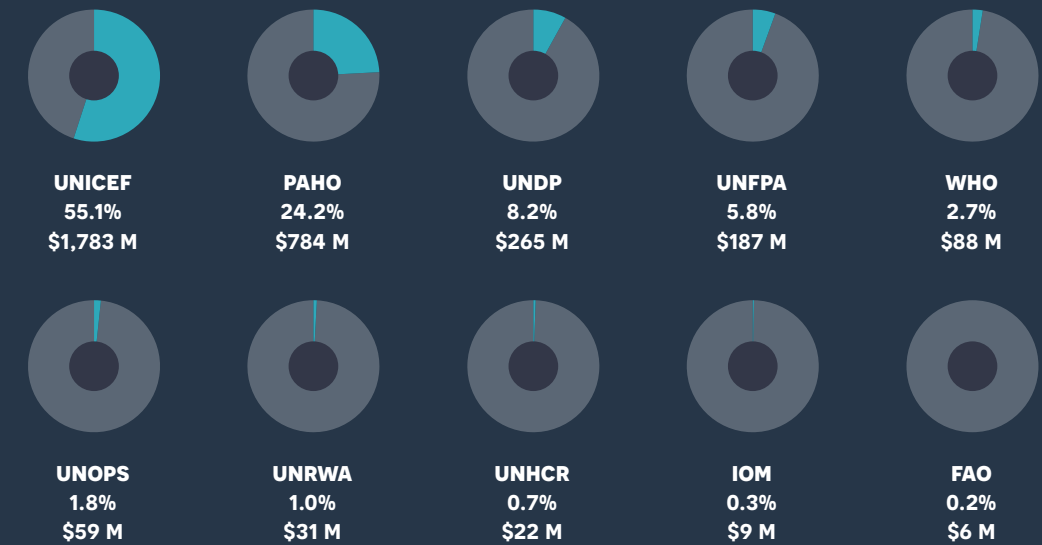
\$3.2 billion

TOTAL PROCUREMENT IN THE SEGMENT IN 2019 (INCREASE OF \$243 MILLION COMPARED TO 2018)

55.1%

OF THE TOTAL VOLUME WAS PROCURED BY UNICEF

TOP ORGANIZATIONS 2019



TOP 10 ORGANIZATIONS TOTAL

\$3,234 M 99.8%

TOP 10 SUPPLIERS 2019*



TOP 10 SUPPLIERS TOTAL
\$1,586 MILLION 49.0%

*Suppliers with withheld names and unspecified suppliers are not included.

SUBCATEGORIES WITHIN THE TOP CATEGORIES OF PROCUREMENT

Figure 3 shows the breakdown of the top five largest segments into class level — the third level in the UNSPSC hierarchy for the procurement volume — where this information is available.³

In the top segment, *Pharmaceuticals, contraceptives and vaccines*, class-level information is available for 77.5 per cent of the total \$3.2 billion reported data (the remainder being reported at higher levels of the UNSPSC hierarchy). Within this, the largest class, *Vaccines, antigens and toxoids* makes up 90.6 per cent while the second largest class, *Combination toxoids and vaccines*, accounts for 6.1 per cent. The third-largest class is *Combination contraceptives and estrogens*, at 1.5 per cent.

Transportation, storage and mail services had class-level information available for 71.8 per cent of the total \$2.6 billion. Of that, the top three categories had individual shares of 31.5 per cent, 27.5 per cent and 14.0 per cent for *Passenger air transportation, Road cargo transport, and Marine cargo transport*, respectively.

For *Food and beverage products*, 75.8 per cent of the \$2.1 billion total was reported at the class-level in 2019. The bulk of this was *Cereals* (56.4 per cent), *Pulses* (13.8 per cent) and *Instant mixes and supplies* (12.2 per cent).

The major categories of spend within the *Management and administrative services* segment were *Lease and rental of property or building, Business and management consultation services* and *Project management*. However, only 45.9 per cent of the \$1.8 billion within the segment was reported at the class level.

Similarly, detailed class-level reporting was available only for 48.1 per cent of the total \$1.4 billion of *Building and maintenance services*. *Building maintenance and repair services, Commercial and office building construction services, and Highway and road construction services* were the main classes reported.

³Not all organizations can provide detailed category information - see the appendix for more information.

PROCUREMENT BY CATEGORY OF GOODS AND SERVICES

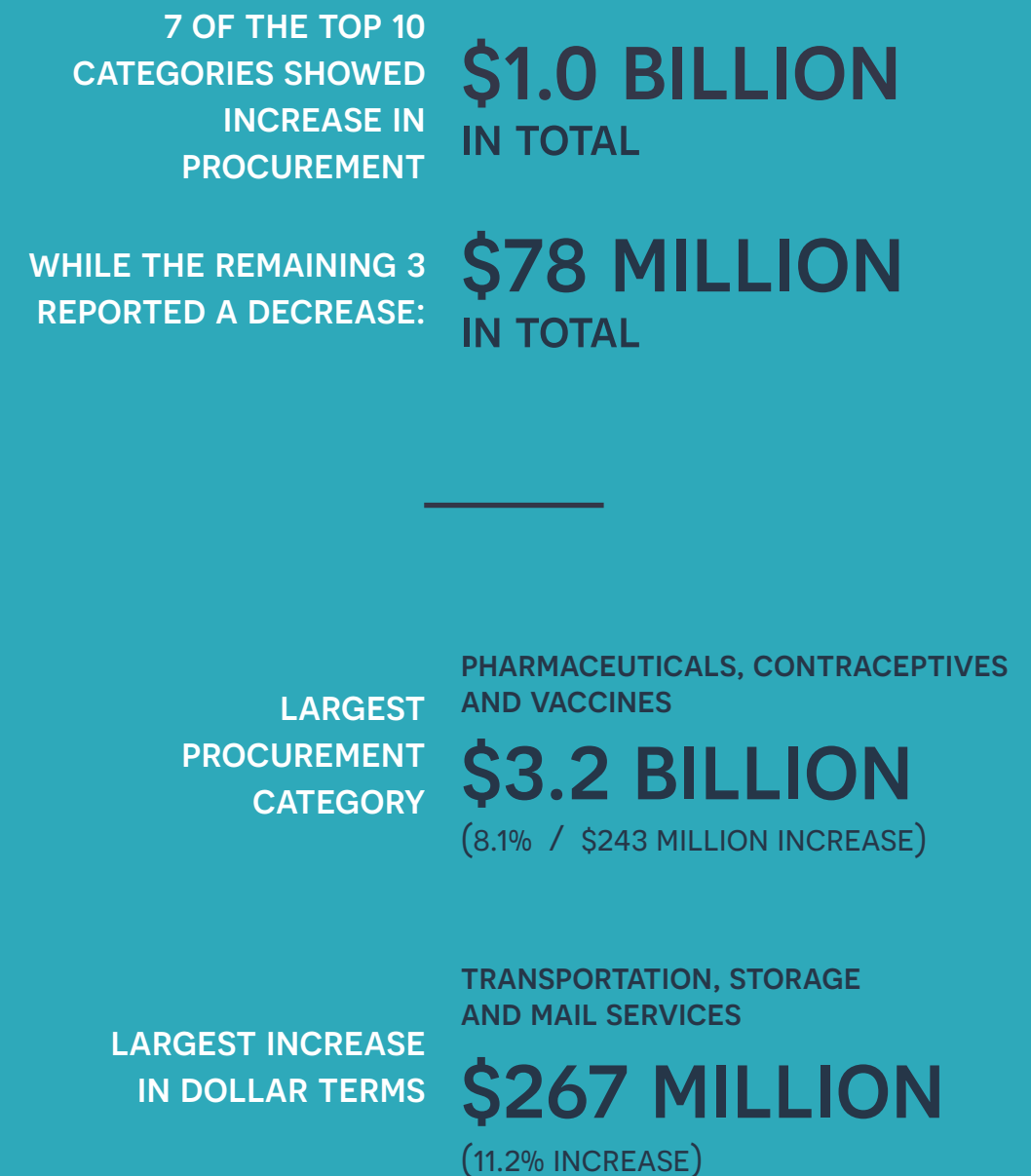
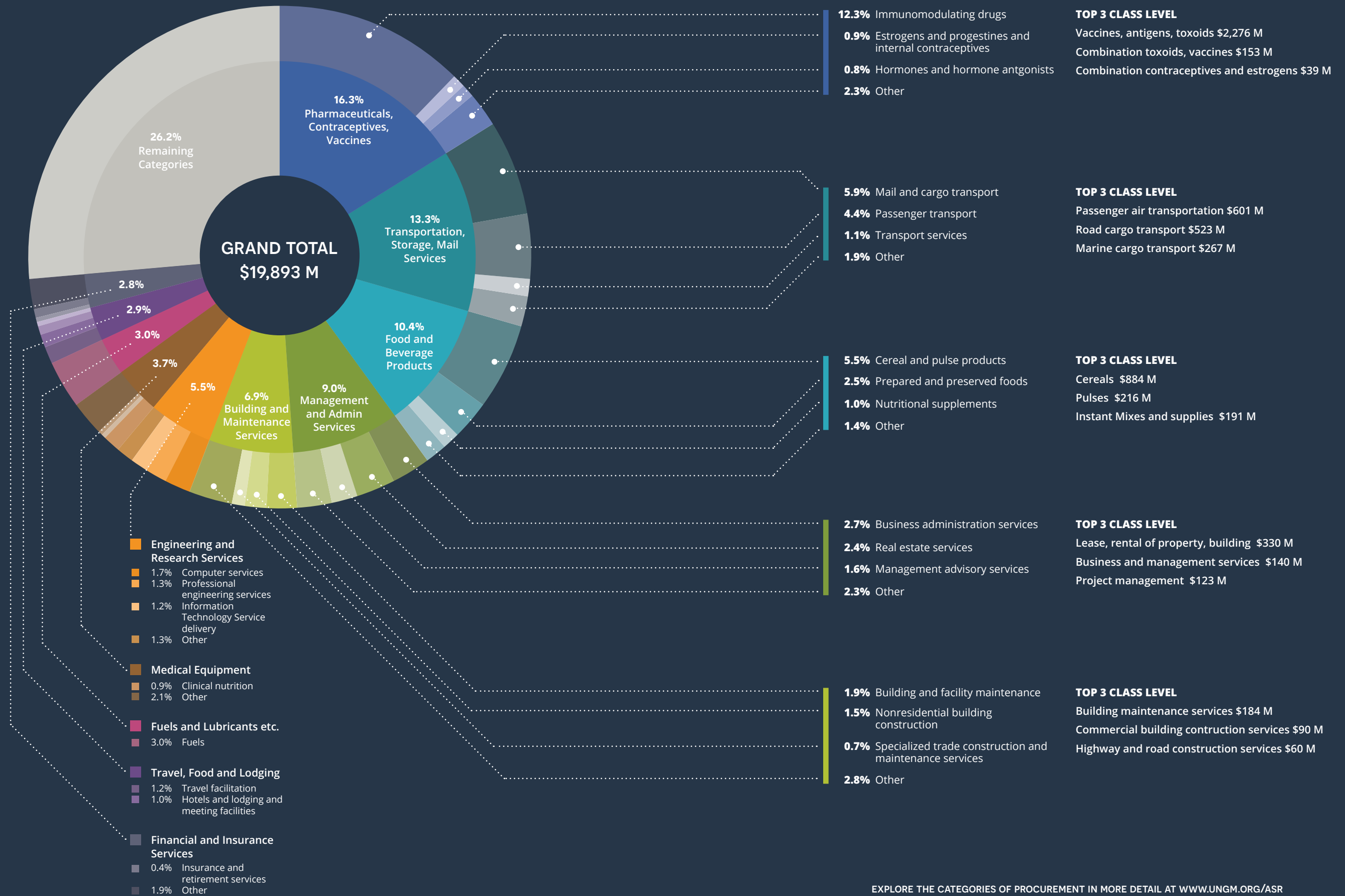


Figure 3. Top class categories within the top five segment categories in 2019





HIGHLIGHT STORY: ITC
**IMPROVING
EXPORT
PERFORMANCE
OF WOMEN
ENTREPRENEURS
IN CENTRAL
AMERICA**

ITC is implementing the project “Linking Central American Women Business Enterprises (WBEs) with the Global Gifts and Home Decoration Market”, financed by the European Union (EU). The objective of this project is to improve the export performance of women entrepreneurs in Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama by the sale of handicrafts through electronic commerce (e-commerce).

ITC contracted, through a competitive tender, a company to train WBEs to adapt the design and quality of handicrafts to the international market, to have greater visibility with business partners on the internet and also to fulfil buyers’ electronic orders.

\$155,000

ITC PROCURED \$155,000
WORTH OF TRAINING SERVICES
FOR THIS PROJECT IN 2019.

WHO SUPPLIED
THE UNITED NATIONS
IN 2019?



MAJOR COUNTRIES OF SUPPLY

Suppliers from 217 countries and territories, including all 193 Member States, provided goods and services to UN organizations in 2019. In 133 of the Member States, the procurement volume exceeded \$10 million.

In Table 3, procurement volumes for the 10 countries with the highest procurement levels in 2019 are shown. These countries were responsible for \$8.4 billion in procurement, or 42.4 per cent of total UN procurement in 2019. This is an increase in the concentration of spend within the top 10 supplier countries compared to 2018, when they were responsible for 40.5 per cent of spend. The top 10 supplier countries remain the same as in the previous year, with the exception of the Netherlands, which replaced the United Kingdom of Great Britain and Northern Ireland.

Table 3: Top 10 supplier countries by procurement volume, 2019

Supplier country	Goods (\$ millions)	Services (\$ millions)	Total (\$ millions)	Share of UN total (%)	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%

The United States of America remains the largest supplier country to the UN. Its overall procurement volume of \$1.7 billion in 2019 increased by 5.9 per cent over the previous year, returning the volume to a level similar to that of 2017. An increase in vaccine procurement (\$84 million) by UNICEF and PAHO was the main driver of the rise.

Pharmaceuticals, contraceptives and vaccines was the main category of procurement from the United States of America for the last eight years, and this segment was responsible for 34.8 per cent, or \$605 million of procurement from this country in 2019. *Management and administrative services*, with \$193 million procured, and *Engineering and research services*, at \$192 million, continued to be the second- and third-largest segments from the United States of America.

The same four developing countries (India, Yemen, United Arab Emirates and Kenya, in decreasing order of procurement volume) were part of the top 10 supplier countries in 2019, as in 2018, with a combined procurement of \$3.4 billion. This represented 17.1 per cent of total UN procurement for 2019, an increase from 15.8 per cent for 2018.

India was again the second-largest supplier country overall and, with an increase of 6.7 per cent, reaching the highest level of supply in four years, with a total of \$1.1 billion. Having been a top 10 supplier country since 2000, India is the main supplier of *Pharmaceuticals, contraceptives and vaccines* to the UN, by far the largest procurement category from India, at a total of \$829 million in 2019. The second-largest category in 2019 was *Medical equipment and accessories and supplies*, with an increase of 70.8 per cent and a total of \$54 million, while *Management and administrative services* (\$45 million), the second largest category in 2018, decreased by 20.7 per cent.

There was a continued increase in UN activity in Yemen in 2019, leading to an extra \$296 million in procurement from suppliers in Yemen — up 51.4 per cent compared to 2018 and more than eight times the procurement volume reported in 2016 (\$108 million). The country thus became the third-largest country of supply to the UN system. The organization with the largest procurement volume there was WFP, which increased its procurement from \$279 million in 2018 to \$358 million in 2019. WFP mainly procured *Transportation, storage and mail services* (\$142 million) and *Food and beverage products* (\$119 million). The second-largest buyer from Yemen was UNICEF (\$258 million), and UNOPS was the third (\$99 million).

MAJOR COUNTRIES OF SUPPLY

LARGEST SUPPLIER COUNTRY

**UNITED STATES
OF AMERICA**

\$1.7 BILLION

FOUR DEVELOPING
COUNTRIES IN THE TOP 10

INDIA
\$1.1 BILLION

YEMEN
\$872 MILLION

**UNITED ARAB
EMIRATES**
\$841 MILLION

KENYA
\$582 MILLION

The United Arab Emirates went from the third-largest supplier country to fourth position, despite an increase in procurement of 4.5 per cent, or \$36 million, from 2018 to 2019. The country remains the largest supplier country of *Fuels and lubricants* to the UN system, supplying \$266 million, or 44.3 per cent, of total UN procurement in the category. Of that, \$260 million was procured by UNPD. The United Arab Emirates was the second-largest supplier country of *Food and beverage products* (\$235 million), after Turkey, which had a large increase in this category in 2019.

Procurement from suppliers in Kenya continued to rise in 2019, to \$582 million — an increase of 6.0 per cent compared to 2018. WFP increased its procurement from suppliers in Kenya by 19.7 per cent, mainly in the *Food and beverage products* segment (up \$32 million), making it the largest organization procuring from the country. The main categories of procurement from suppliers in Kenya were *Transportation, storage and mail services* (\$177 million), *Food and beverage products* (\$96 million) and *Building and maintenance services* (\$49 million).

Suppliers from Switzerland had a substantial increase in 2019, up 33.8 per cent, or \$183 million, moving the country into fifth position among the top 10 supplier countries, up from tenth in 2018. The total volume, \$724 million, is the highest in four years, the increase due mainly to IOM reporting travel for the first time, as explained earlier, recorded mainly against suppliers in Switzerland.

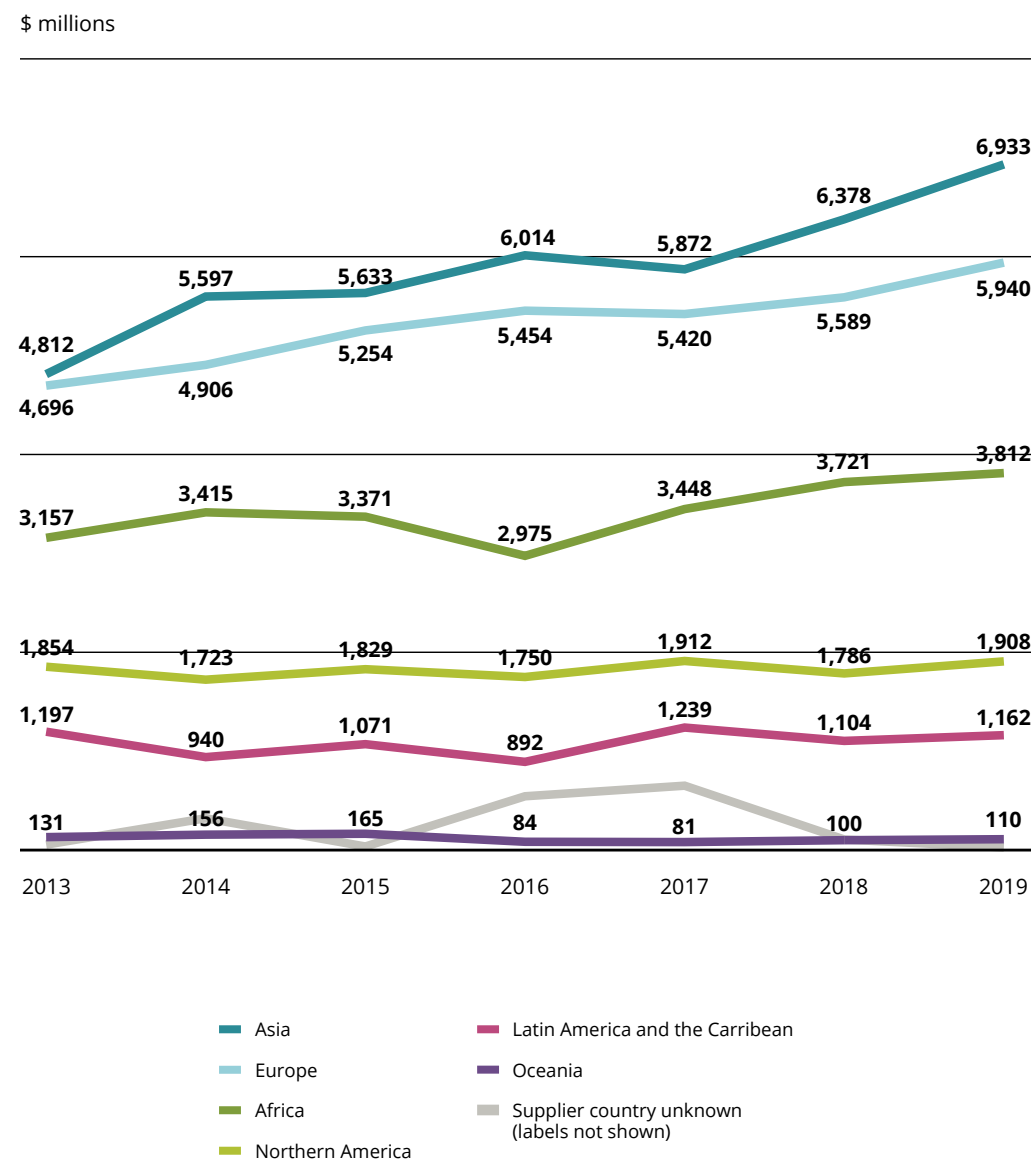
Meanwhile, Belgium experienced a drop in supplies to the UN (4.8 per cent). The decrease was a result of reductions in procurement of *Pharmaceuticals, contraceptives and vaccines* by UNICEF (down \$30 million) and UNFPA (down \$23 million). However, this was partly offset by a \$21 million increase in procurement from the country by PAHO, including \$14 million in that category.

Denmark had the seventh-largest increase in dollar terms from 2018 to 2019, with an increase of \$80 million, or 14.5 per cent, leading to a total volume of \$631 million. Of that total, \$229 million was UN-facilitated procurement where the goods and services were provided by another UN organization. More information on UN-to-UN procurement can be found in the chapter on collaborative procurement.

PROCUREMENT BY REGION OF SUPPLIER

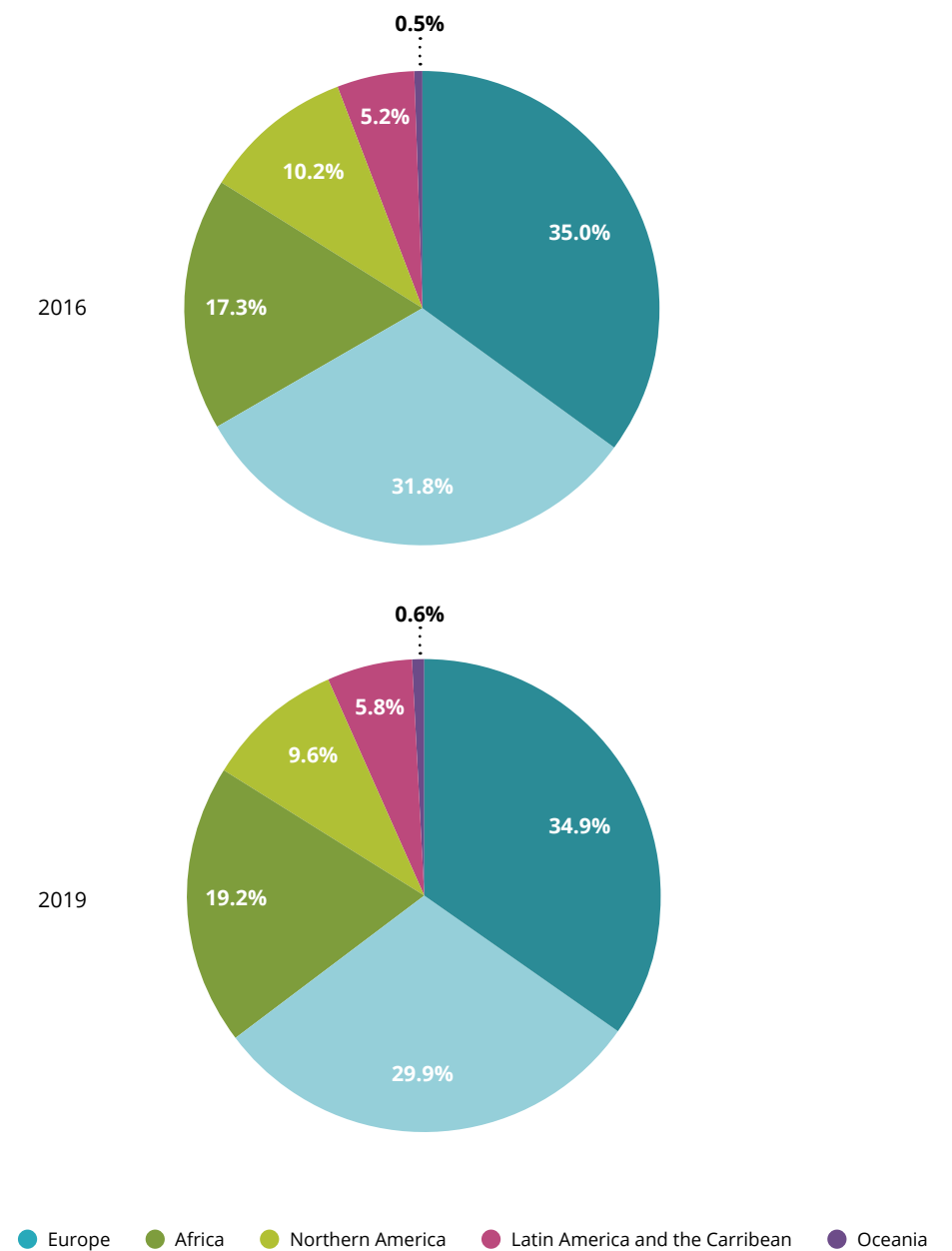
UN procurement rose in all regions from 2018 to 2019. However, the rate of increase varied from region to region: Asia, Europe, Northern America and Oceania grew at a faster rate than the global average, while the increase in Africa and Latin America and the Caribbean was slower.

Figure 4. Total procurement by region, 2013-2019



Between 2016 and 2019, procurement from suppliers in Latin America and the Caribbean rose by 30.3 per cent, Africa by 28.1 per cent, and Asia by 15.3 per cent, while changes in the other regions have been more modest. However, the share of procurement from each region has remained roughly the same over the period.

Figure 5. Procurement volume by region in 2016 and 2019



In 2019, Asia continued to be the largest region by spend, with 34.9 per cent of total procurement. Procurement from suppliers in this region also had the largest increase compared to 2018, in absolute terms — by \$555 million, or 8.7 per cent, to \$6.9 billion.

In addition to the increases in Yemen and India, increases of \$75 million from Turkey and \$70 million from Jordan contributed to the overall rise in Asia. Among organizations procuring from suppliers in the region, the largest increases were recorded by UNICEF (\$222 million), WFP (\$221 million) and UNOPS (\$136 million).

The second-largest region for procurement continued to be Europe, increasing by 6.3 per cent, or \$352 million in 2019 compared to 2018. Switzerland was the main contributor to this increase, as explained earlier. WHO and UNICEF increased procurement in the region (up \$109 million and \$105 million, respectively), particularly for *Pharmaceuticals, contraceptives and vaccines* and *Medical equipment*. This was offset in part by a decrease in procurement from the region by WFP and UNPD. WFP spent \$65 million less on *Food and beverage products* from European suppliers, while UNPD spent \$52 million less with suppliers from France and the United Kingdom of Great Britain and Northern Ireland.

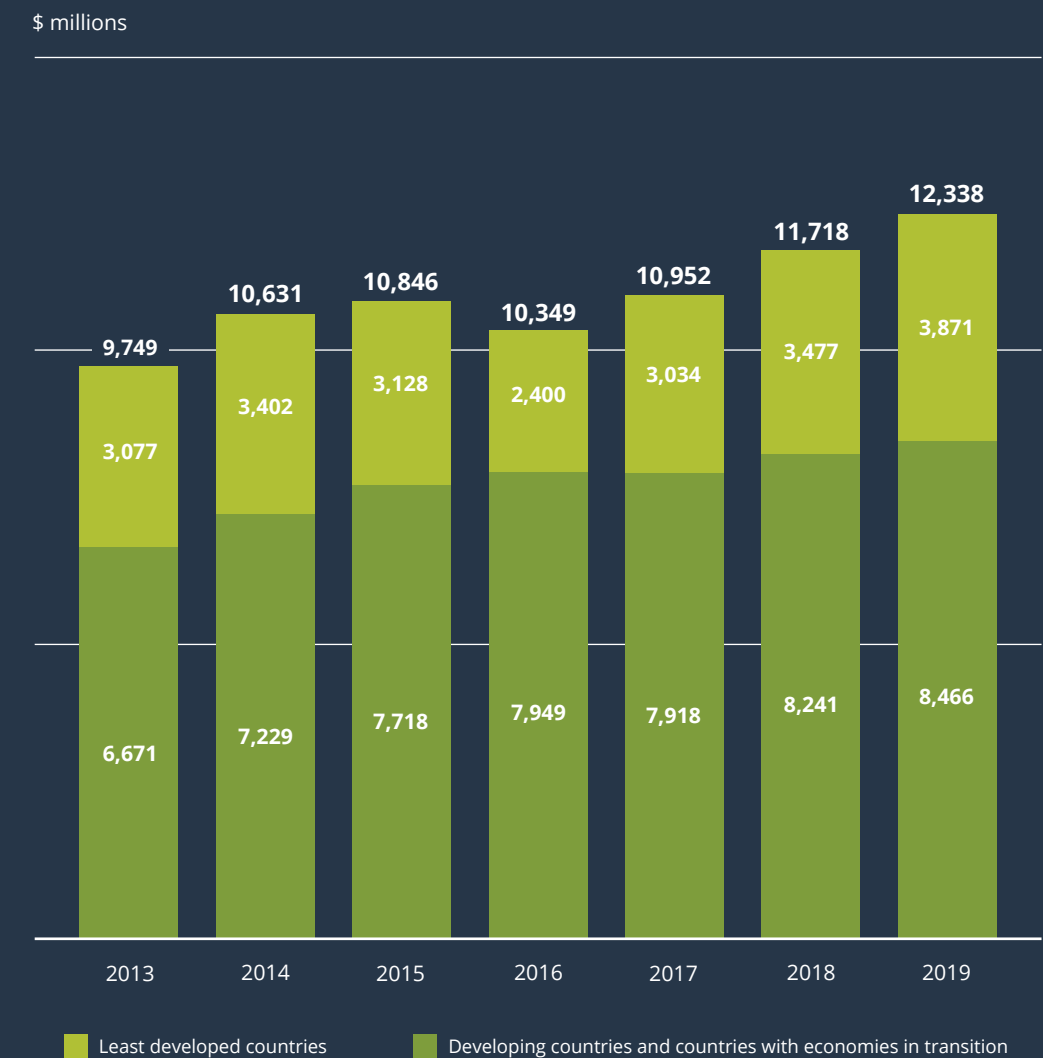
In the Africa region in 2019, procurement from suppliers increased by \$91 million, or 2.5 per cent, to \$3.8 billion. At the same time, the region reduced its share of total procurement from 19.9 per cent in 2018 to 19.2 per cent in 2019. The countries with the largest increases were Mozambique, with \$83 million, the Democratic Republic of the Congo, with \$69 million, and South Africa, with \$39 million. Nigeria, Uganda and Mali experienced decreases in UN procurement of \$63 million, \$53 million and \$52 million, respectively. Organizations with increases in the region included UNDP, WHO and the International Labour Organization (ILO), partly offset by decreases in procurement from IOM, UNICEF and WFP.

Procurement from suppliers from Northern America increased by \$121 million, or 6.8 per cent, compared to 2018, due mainly to UNICEF and PAHO increasing procurement of *Pharmaceuticals, contraceptives and vaccines*. This was offset somewhat by a decrease in procurement by UNPD. Procurement from Canada increased by \$26 million to \$142 million in 2019. The largest category of spend with suppliers in Canada was *Transportation, storage and mail services*, at \$51 million.

In Latin America and the Caribbean, procurement from suppliers increased by 5.2 per cent, or \$58 million. The increase was driven mainly by increases in Peru, of \$98 million, and Costa Rica, of \$55 million. At the same time, procurement from Guatemala and Panama decreased, by \$79 million and \$49 million, respectively.

While the smallest region by procurement volume, Oceania saw the largest procurement increase in percentage terms for the second year in a row, up 9.7 per cent, to \$110 million in 2019, with increases of \$4.6 million from suppliers in New Zealand (up 86.8 per cent) and \$2.3 million more from suppliers in Australia (up 5.9 per cent) compared to 2018.

Figure 6. Procurement from developing countries, countries with economies in transition and least developed countries, 2013-2019



PROCUREMENT FROM DEVELOPING COUNTRIES, COUNTRIES WITH ECONOMIES IN TRANSITION AND LEAST DEVELOPED COUNTRIES

Increasing procurement from LDCs, developing countries, and countries with economies in transition is consistent with the 2030 Agenda for Sustainable Development and follows a 2003 request from the General Assembly to encourage the organizations of the United Nations system to take further steps to increase procurement opportunities for suppliers from these countries.⁴ In response, UN organizations have placed more orders with suppliers from these countries, reaching an all-time high in 2019.

Total procurement volume from these countries increased from \$11.7 billion in 2018 to \$12.3 billion in 2019, while their share of UN procurement decreased by 0.6 per cent in 2019. Economies in transition had a procurement of \$750 million, developing countries \$7.7 billion, and LDCs \$3.9 billion. Figure 6 shows the change in procurement from these countries.

The percentage of total UN procurement (excluding where the supplier country is unknown) that came from countries with economies in transition decreased in 2019 to 3.8 per cent, compared to 4.1 per cent in 2018. The share of procurement from developing countries also decreased, to 38.8 per cent in 2019 compared to 40.0 per cent in 2018, while procurement from LDCs increased its share of the total from 18.6 per cent in 2018 to 19.5 per cent in 2019. Developed countries saw an increase of \$567 million, or 8.2 per cent.

The decrease for economies in transition was due mainly to a reduction in procurement from the Russian Federation by IOM, offset somewhat by an increase in procurement in Kyrgyzstan and Bosnia and Herzegovina.

The procurement volume from suppliers in developing countries had an increase of \$237 million in absolute terms, the main increases being seen by Peru, Turkey and Jordan (\$98 million, \$75 million, and \$70 million respectively). WFP had an increase of \$144 million, making it the organization with the largest volume procured from these countries, while UNDP had a decrease of \$258 million, of which Iraq and Lebanon had the largest decreases (\$201 million and \$50 million).

For LDCs, the increase of \$395 million (11.4 per cent) was due mainly to an increase in Yemen, of \$296 million. Mozambique (\$83 million), the Democratic Republic of the Congo (\$69 million) and Bangladesh (\$47 million) also supported the increase. Uganda and Mali had large decreases in procurement (\$53 million and \$52 million). The organization with the largest volume procured from LDCs was WFP, with \$1.3 billion, while the largest increase in these countries was seen by UNDP, with \$110 million. IOM saw a decrease of \$54 million.

⁴ A/RES/57/279

Table 4. Top 20 countries by procurement volume - developing countries, countries with economies in transition and least developed countries, 2019

Supplier country	Goods (\$ millions)	Services (\$ millions)	Total (\$ millions)	Share of UN total (%)	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%
China	171.1	75.2	246.4	1.2%	14.6%
Afghanistan	82.5	156.6	239.1	1.2%	-3.0%
South Africa	113.9	125.1	239.0	1.2%	19.5%
Democratic Republic of the Congo	44.0	190.9	234.9	1.2%	41.3%
Pakistan	76.0	157.3	233.3	1.2%	-17.2%
Sudan	125.1	107.4	232.5	1.2%	-9.5%
Syrian Arab Republic	111.2	119.5	230.8	1.2%	4.9%
Republic of Korea	195.2	29.8	225.1	1.1%	41.0%
South Sudan	61.8	158.7	220.5	1.1%	-14.3%
Ukraine	68.8	138.3	207.2	1.0%	1.5%
TOP 20 TOTAL	3,844.4	3,831.3	7,675.6	38.6%	5.3%
Developing countries, countries with economies in transition, LDCs 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%

Of the \$12.3 billion of goods and services procured in 2019 from developing countries, countries with economies in transition and LDCs, 62.2 per cent was procured from 20 countries. Those countries are shown in Table 4.

In 2019, 12 of those countries experienced increases in procurement compared to 2018. In dollar terms, Yemen, Turkey and Jordan had the largest increases (in decreasing order of magnitude), with a combined \$441 million in additional procurement compared to 2018.

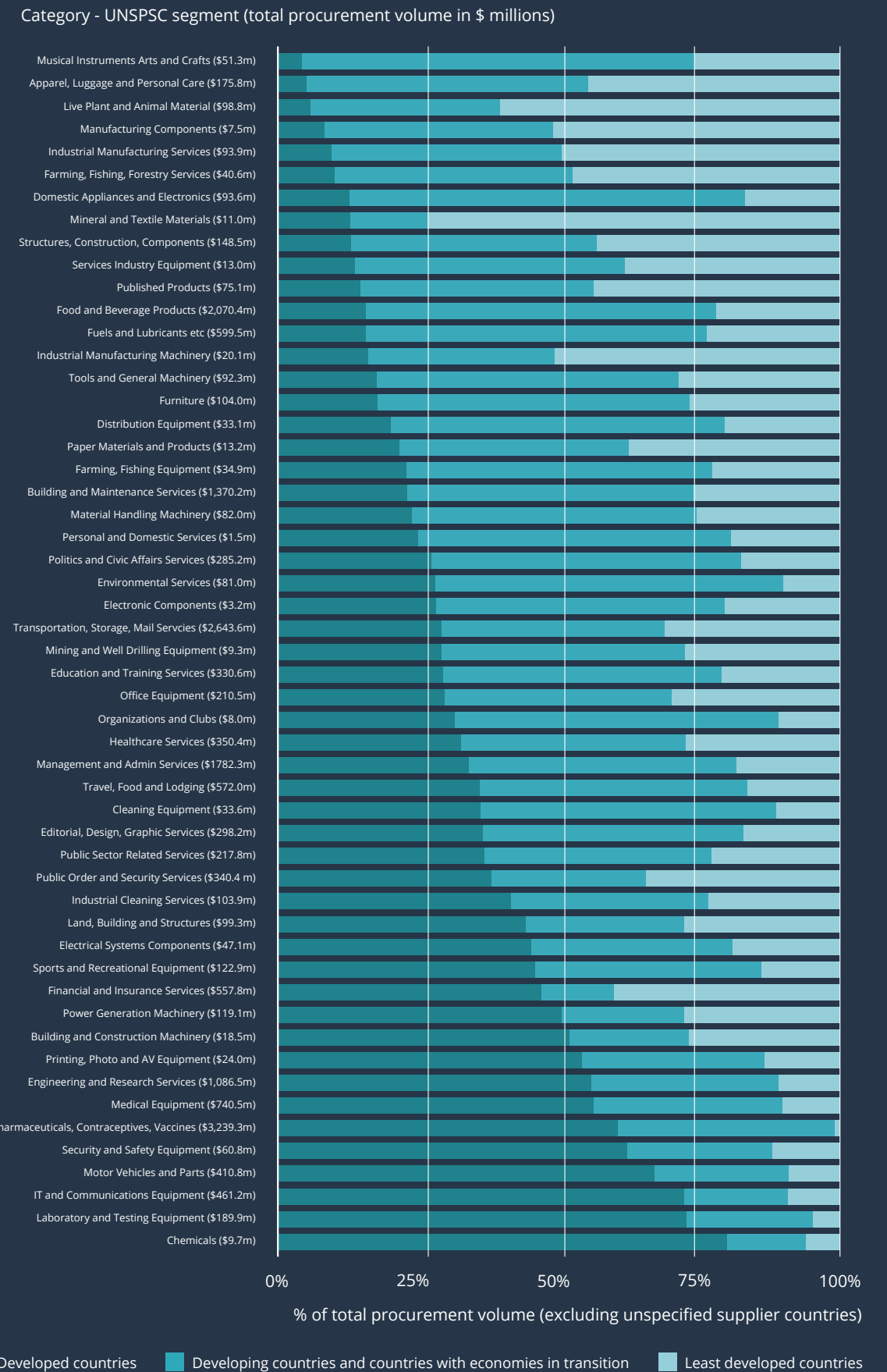
The Republic of Korea re-joined the top 20 list in 2019, after dropping out in 2018, and the Democratic Republic of the Congo returned, after a longer period away from the top 20. Nigeria and Uganda left the top 20 in 2019 — procurement from those countries was \$116 million less in 2019 than in 2018.

Figure 7 shows the 53 different segments of goods and services with procurement volumes above \$1 million in 2019, as well as the distribution of volume by type of supplier country. There were 16 segments where more than 80 per cent of procurement volume was from developing countries, countries with economies in transition and LDCs, representing \$3.7 billion of procurement. In 42 segments, more than 50 per cent of the procurement, by volume, was from developing countries, countries with economies in transition and LDCs. Total procurement from those 42 segments was \$13.3 billion.

Food and beverage products was the largest segment where procurement from developing countries, countries with economies in transition and LDCs represented more than 80 per cent of the total procurement volume. In total, \$2.1 billion was procured in this segment in 2019. Of that sum, \$1.7 billion was from LDCS developing countries and countries with economies in transition.

The calculation of percentages in this analysis excludes procurement where the supplier country was unknown. Of the \$27 million from unknown supplier countries, \$26 million was in the Transportation, storage and mail services segment, reported by the Food and Agriculture Organization of the United Nations (FAO).

Figure 7. Distribution of categories of goods and services by supplier country development status and total procurement volume by segment, 2019 (UNSPSC segments with procurement volume above \$1 million; unspecified goods and services excluded)





HIGHLIGHT STORY: UNESCO URBAN RESTORATION SUPPORTING YOUTH IN YEMEN

Youth in Yemen are the most affected by the current conflict and the associated unemployment crisis. Their involvement in stabilizing communities through rehabilitation works and cultural programming is key to fostering social cohesion and reducing armed violence.

The EU-funded cash-for-work project in Yemen promotes livelihood opportunities for 4,000 young Yemenis and builds their appreciation of Yemeni heritage through their participation in the cash-based urban rehabilitation works in four historic cities (Sana'a, Shibam, Zabid and Aden). The project involves local associations with master builders to transfer skills to young male and female workers and to supervise rehabilitation sites.

UNESCO, as coordinator of the project, purchases the materials and equipment needed for the restoration of historic buildings. This includes traditional building materials such as wooden beams and ribs, sand, lime, gypsum and straw, which are in short supply and crucial for the implementation of the civil works. They are bought from different suppliers in compliance with tailored procurement policies ensuring best value for money. UNESCO also acquires relevant information technology equipment needed for the assessment and documentation of heritage sites from local suppliers.

\$368,630

UNESCO COMMITTED \$368,630 TO PURCHASE
GOODS AND SERVICES FOR THIS PROJECT IN 2019.

\$6.9 BILLION

PROCUREMENT FROM THE ASIA REGION, OF WHICH
YEMEN IS A PART, TOTALLED \$6.9 BILLION IN 2019.

HOW DOES THE
UNITED NATIONS
SYSTEM DO
PROCUREMENT?



SUSTAINABLE PROCUREMENT

Sustainable procurement is defined as “practices that integrate requirements, specifications and criteria that are compatible and in favour 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.”⁵ Sustainable procurement is recognized as an important element of sustainable development, included as target 12.7 under Goal 12 - Sustainable consumption and production.

Since 2008, the ASR has included data on the extent to which sustainability considerations are incorporated into the procurement processes of UN Organizations. For the past two years, all 39 UN organizations that submit data to the report have voluntarily shared information on their sustainable procurement practices. The following is a snapshot of the key trends in 2019. More detailed information can be found on the ASR website.

Compared to 2018, the trend to formalize sustainable procurement through the development of a sustainable procurement policy, strategy, or measurable targets declined slightly. Of the 39 reporting organizations, 23 noted having implemented (or planning to implement) an official sustainable procurement policy. Twenty noted having (or planning to have) a formal sustainable procurement strategy, and 14 reported having established (or planning to establish) measurable targets or objectives.

Sustainable procurement principles were incorporated into more key components of the procurement process than in previous years. Following a significant increase in 2018, this year’s survey responses noted that the relative share of organizations including sustainability criteria in requirements definitions increased by 18.0 percentage points to a total of 79.5 per cent of reporting organizations. Additionally, the share of organizations applying total cost of ownership in the evaluation of their tenders increased, by 5.2 percentage points, to 82.1 per cent of reporting organizations. The number of organizations reporting on the inclusion of sustainability aspects in contract terms and conditions increased by 12.9 percentage points, accounting for almost half of reporting organizations.

⁵ Statement on Sustainable Procurement of the High-Level Committee on Management Procurement Network available at: https://www.un.org/Shared/KnowledgeCenter/Pages/PT_SUST

Figure 8. Integration of sustainable procurement in the procurement process, 2019

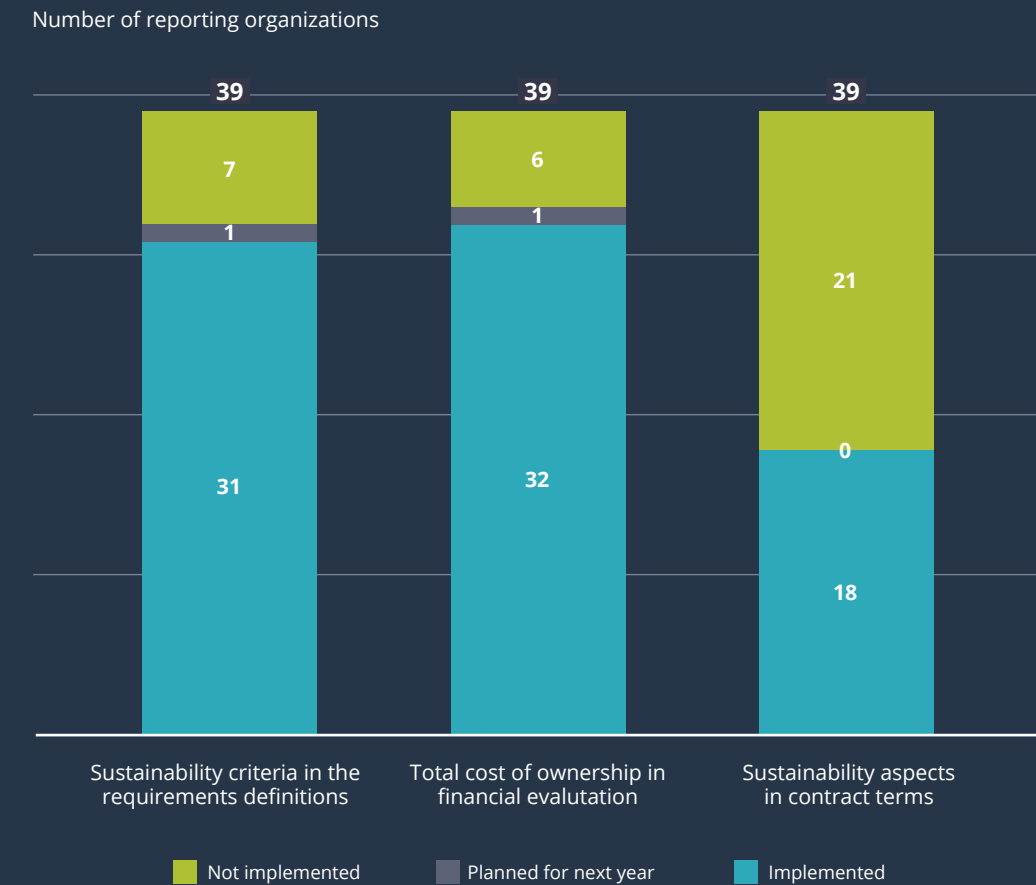
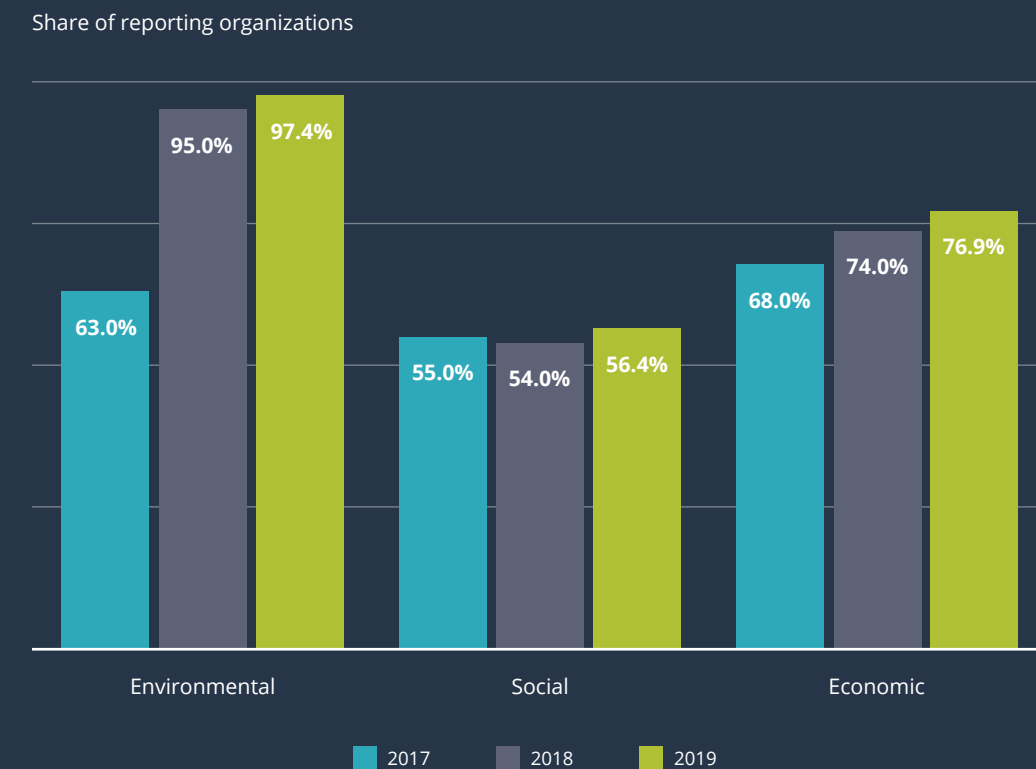


Figure 9. Types of considerations integrated in procurement processes, 2017-2019



**MORE AGENCIES HAVE IMPLEMENTED
A SUSTAINABLE PROCUREMENT POLICY
(INCREASE FROM 46.2% TO 51.3%)**

**THE RELATIVE SHARE OF
ORGANIZATIONS INTEGRATING
SUSTAINABILITY CONSIDERATIONS
INTO THEIR PROCUREMENT
PROCESS INCREASED:**

INCLUDING SUSTAINABILITY
CRITERIA IN REQUIREMENT
DEFINITIONS **+ 18.0%**

APPLICATION OF TOTAL
COST OF OWNERSHIP **+ 5.2%**

INCLUSION OF SUSTAINABILITY
ASPECTS IN CONTRACT
TERMS AND CONDITIONS **+ 12.9%**

As in previous years, environmental considerations remained the sustainability aspect most addressed by UN organizations. They continued to consider sustainability consistently across the three pillars of social, environmental and economic aspects in 2019, with economic sustainability being incorporated by about three-quarters of the organizations in their tenders, and social sustainability by slightly more than half.

Building internal capacity through training and other methods continued to be important for the consistent implementation of sustainable procurement principles. Compared to 2018, slightly fewer organizations trained their staff and contractors on sustainable procurement over the course of three years, but more than half (23 out of 39 organizations) continued to do so.

Suppliers are critical stakeholders when it comes to advancing sustainability in the supply chain. In 2019, 61.5 per cent of organizations stated that they verify their suppliers' adherence to the UN Supplier Code of Conduct, an increase of 5.1 percentage points. Additionally, the number of organizations stating that they collaborated with suppliers directly to improve the sustainability of their supply chain rose, from 30.8 per cent to 51.3 per cent.

UN procurement spend with suppliers participating in the UN Global Compact is analysed as part of the ASR. The UN Global Compact is a voluntary global sustainability initiative, calling on companies and other social actors to align their strategies and operations with universal human rights, labour, the environment and anti-corruption principles. All UN suppliers, regardless of size or location, are encouraged to align with the 10 principles of the UN Global Compact and join the initiative.

In 2019, the share of procurement from companies identified as participating in the UN Global Compact remained comparably stable in absolute terms, with approximately \$3.3 billion in total. However, since total UN procurement spend increased by 5.9 per cent, the relative share of UN procurement from UN Global Compact participants was reduced slightly, from 20.0 per cent to 18.2 per cent.

Beyond what is reported in the ASR, UN organizations collectively have recognized the importance of expanding data collection and reporting on sustainable practices in procurement. In 2019, through the United Nations High-Level Committee on Management Procurement Network (HLCM-PN), organizations jointly developed a set of indicators with the intention of improving the tracking, measuring and reporting on sustainable procurement implementation in UN procurement processes.

**FIND OUT MORE ABOUT SUSTAINABILITY PROCUREMENT IN THE
UN SYSTEM AT WWW.UNGM.ORG/ASR**

HIGHLIGHT STORY: UNOPS

THE RURAL RENEWABLE ENERGY PROJECT

The Rural Renewable Energy Project (RREP) uses solar energy technology to provide up to 4 megawatts of sustainable, low-carbon energy to rural communities in Sierra Leone. A first of its kind in the country and in sub-Saharan Africa, the project will benefit more than 360,000 residents, as well as local businesses and essential services.

In 2017, the first phase of the project saw the installation of solar-power plants in 54 community health centres. Fifty of these were mini-grids which were expanded to provide electricity to thousands of households, schools and businesses. The second phase of the project is widening access to electricity to a further 44 communities across the country. Essential infrastructure — including electricity cables and poles — is currently being installed with electrification expected to be completed in 2020.

The project is implemented by UNOPS on behalf of the Sierra Leone Ministry of Energy, with funding from the United Kingdom Department for International Development (DFID).

\$19.3 MILLION

THE UN SYSTEM PROCURED
\$19.3 MILLION FROM SUPPLIERS
IN SIERRA LEONE IN 2019.

\$5.5 MILLION

UNOPS PROCURED \$5.5 MILLION
WITHIN THIS PROJECT IN 2019.



COLLABORATIVE PROCUREMENT

The objective of collaborative procurement is to achieve reduced prices or better service through economies of scale, and to reduce inefficiency and duplication across the UN organizations. Information on collaborative procurement was collected for the first time in 2016, as a direct response to the General Assembly resolution 71/243 on the Quadrennial Comprehensive Policy Review. The resolution calls on organizations to further their synergies and inter-agency efforts, and requests that UN system entities explore further opportunities for collaborative procurement at the global, regional and country levels. The General Assembly further requested that the organizations record details of the efficiencies achieved through collaborative procurement and report on them to their respective governing bodies in a consolidated format in the ASR.

The report includes information on a set of activities defined as collaborative procurement in line with the 'Harmonizing UN procurement: Common UN procurement at the country level' definition of common procurement. The total collaborative procurement volume for 2019 was \$882 million, representing 4.4 per cent of total procurement volume. Within this, procurement transactions where an organization procured goods and services from another UN organization constituted \$731 million. Almost all organizations, 36 of the 39, used collaborative procurement approaches in 2019. Additionally, for the first time in 2019, the ASR includes information on activities defined as supply-chain management collaboration.⁶

There are technical challenges for the organizations in reporting collaborative information at a transactional level; therefore, reported numbers are most likely a conservative estimate of the collaboration engaged in by the UN system.

⁶Further information on what is considered collaborative procurement and supply chain management collaboration can be found in the appendix section.

Figure 10. Collaborative procurement reported by organizations (top 10 procuring organizations, 2019)

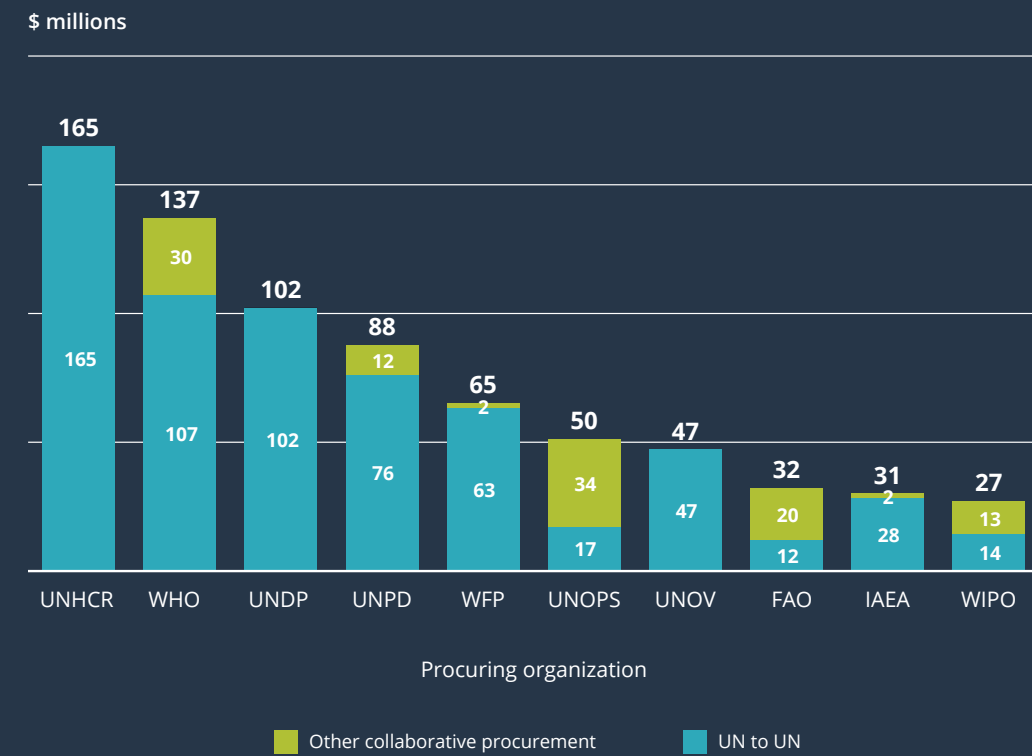
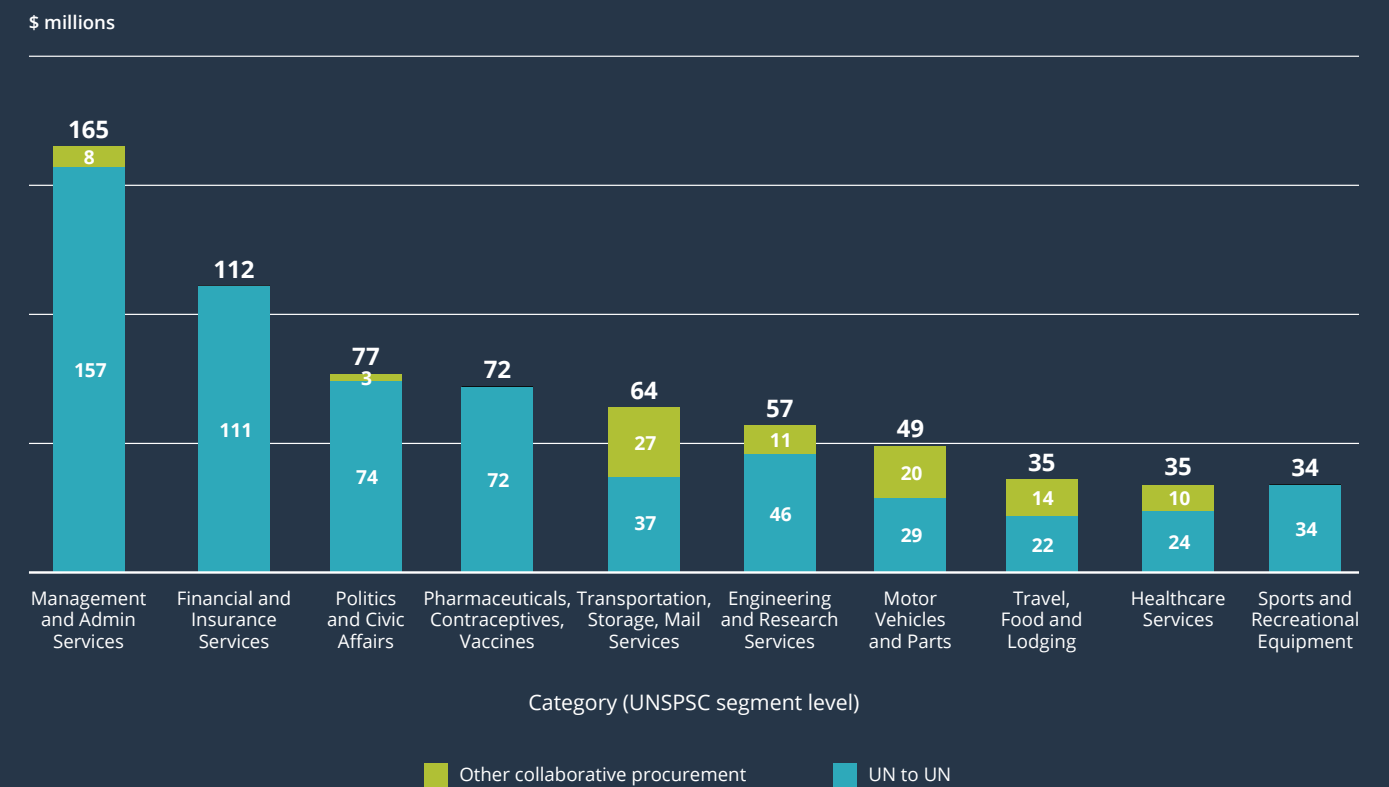


Figure 11. Collaborative procurement reported by organizations (top 10 UNSPSC segments procured, 2019)



There are minor discrepancies in the data labels above due to rounding.

COLLABORATIVE PROCUREMENT REPORTED BY ORGANIZATIONS

In 2019, 27 of the 39 reporting organizations reported collaborative procurement in their submission, the same as in the previous year. Reported collaborative procurement activities (procurement indicated by organizations as using collaborative procurement approaches, but excluding UN procurement from other UN organizations and supply-chain management collaboration) totalled \$151 million in 2019. UNOPS reported the highest amount of such collaborative procurement, with \$34 million, followed by WHO with \$30 million.

Suppliers from the United States of America were the most prevalent for reported collaborative procurement (excluding UN-to-UN procurement), with a supplied volume of \$25 million, followed closely by Denmark and Switzerland, with volumes of \$21 million each. These countries host some of the main hubs of the UN system, and the top categories supplied from those countries are related to common operational goods and services: *Transportation, storage and mail services*, with a volume of \$18 million, *IT and communications equipment* for \$13 million, and *Travel, food and lodging*, worth \$9.2 million.

PROCUREMENT FROM ANOTHER UN ORGANIZATION

Procurement transactions where an organization procured goods and services from another UN organization constituted \$731 million, or 3.7 per cent of the total procurement volume in 2019. This type of procurement is often a result of UN organizations utilizing other organizations' specialization and competitive advantage for a particular type of goods or services.

UNHCR was the organization with the highest volume procured from other UN organizations in 2019, with a total volume of \$165 million, or 22.6 per cent of total UN-to-UN procurement. WHO had the second-largest volume of UN-to-UN procurement, with \$107 million, or 14.6 per cent, and the third-largest was UNDP, with \$102 million, or 13.9 per cent.

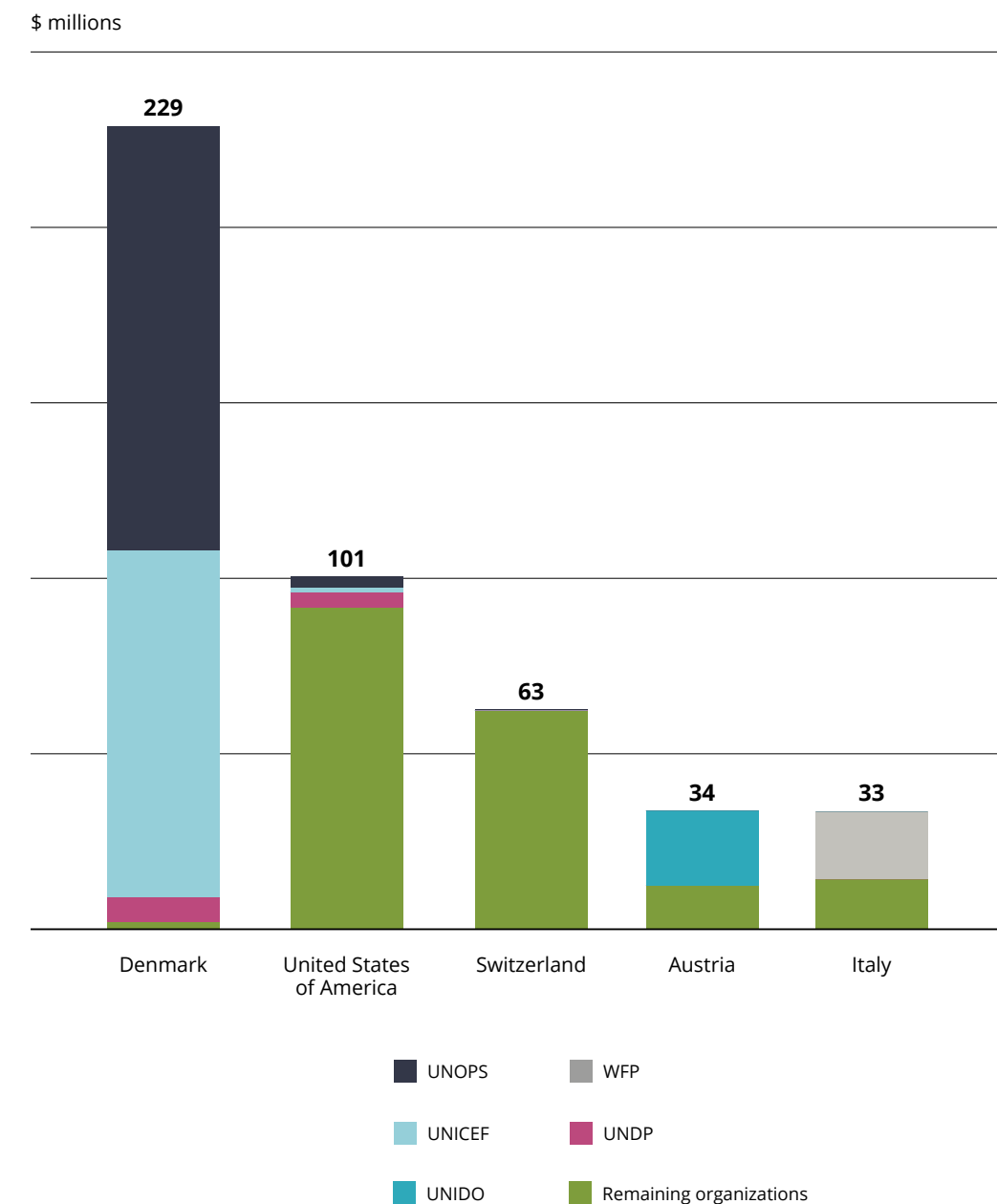
The largest categories procured from UN organizations were *Management and administrative services* (\$157 million), *Financial and insurance services* (\$111 million), *Politics and civic affairs services* (\$74 million) and *Pharmaceuticals, contraceptives and vaccines* (\$72 million).

The UN organization supplying the most to other UN organizations in procurement amount terms was UNDP, with \$140 million, mainly in the categories of *Management and administrative services* (\$42 million) and *Politics and civic affairs services* (\$19 million). The second organization by volume of supply

to other organizations was UNICEF, with \$132 million, including \$72 million of *Pharmaceuticals, contraceptives and vaccines*. UNOPS was the third largest organization in terms of supply to others.

Denmark was the supplier country with the largest volume of UN-to-UN procurement, with \$229 million, or 31.3 per cent of total UN-to-UN procurement in 2019. This is a reflection of the fact that Denmark is a procurement hub for UNOPS and UNICEF, among others. Other countries with high volumes of UN-to-UN procurement were the United States of America, with a total of \$101 million, and Switzerland, with \$63 million.

Figure 12. UN-to-UN procurement by supplier country and supplying UN organization, 2019



SUPPLY-CHAIN MANAGEMENT COLLABORATION

Supply-chain management collaboration is a new, distinct form of collaboration, defined by the HLCM-PN in October 2019. As a result, any transactions in accordance with the definition of supply-chain management collaboration are no longer reported as collaborative procurement in the ASR, but are reported separately by organizations that use this type of collaboration extensively and have information on such transactions readily available.

Since 2019 was the first year using the new definition, only one organization was able to report on supply-chain management collaboration. While UNICEF has previously reported similar activities as collaborative procurement, this year they reported under the new definition. For 2019, 77.0 per cent of its goods procurement volume was accomplished through supply-chain management collaboration, totalling \$2.0 billion.

The Gambia © EU funded ITC Youth Empowerment Project 2019



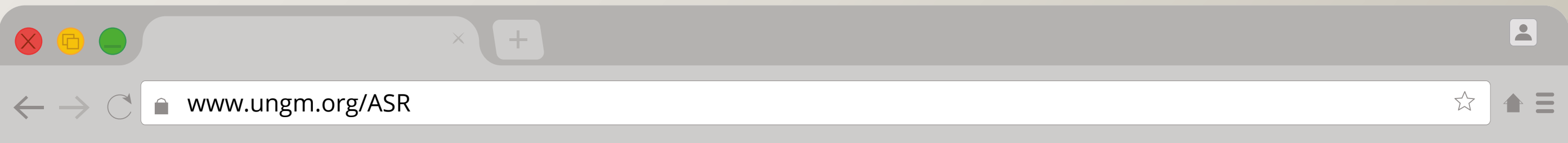
\$882 MILLION
TOTAL COLLABORATIVE PROCUREMENT
VOLUME FOR 2019

4.4%
OF TOTAL PROCUREMENT
VOLUME

MORE INFORMATION ON COLLABORATIVE PROCUREMENT CAN BE
FOUND AT WWW.UNGM.ORG/ASR

FIND
OUT
MORE



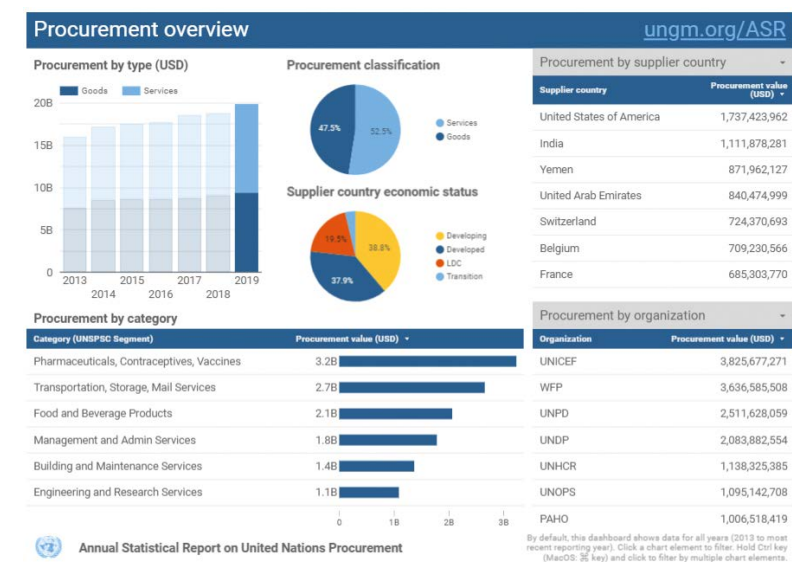


FIND OUT MORE

The insights in this report only scratch the surface of the data available in the ASR. Online interactive and user-friendly dashboards containing procurement data from 2013 to 2019 are available in UNGM. These dashboards provide you with the ability to delve deeper into procurement statistics and analyze procurement from certain countries, agencies, spend categories, details of major contracts and much more.

There is also a dedicated section on sustainable procurement, where you can get more information on UN organizations' progress with incorporating sustainability considerations into the procurement process.

Go to www.ungm.org/ASR to find out more.



■ APPENDIX



METHODOLOGY

PARTICIPANTS

For 2019, 39 UN organizations participated in the ASR. Where this report refers to procurement by the UN System or by UN organizations, it refers to the procurement activities of these 39 organizations. The participating organizations in this reporting year are:

ECLAC	Economic Commission for Latin America and the Caribbean
ESCAP	Economic and Social Commission for Asia and the Pacific
ESCWA	Economic and Social Commission for Western Asia
FAO	Food and Agriculture Organization of the United Nations
IAEA	International Atomic Energy Agency
ICTY	International Criminal Tribunal for the former Yugoslavia
IFAD	International Fund for Agricultural Development
ILO	International Labour Organization
IMO	International Maritime Organization
IOM	International Organization for Migration
ITC	International Trade Centre
ITU	International Telecommunication Union
OPCW	Organisation for the Prohibition of Chemical Weapons
PAHO	The Pan American Health Organization
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
UNAIDS	The Joint United Nations Programme on HIV/AIDS
UNAKRT	United Nations Assistance to the Khmer Rouge Trials
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change
UNFPA	United Nations Population Fund
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNOG	United Nations Office at Geneva
UNON	United Nations Office at Nairobi
UNOPS	United Nations Office for Project Services
UNOV	United Nations Office at Vienna
UNPD	United Nations Procurement Division

UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UNU	United Nations University
UNV	United Nations Volunteers
UNWTO	World Tourism Organization
UPU	Universal Postal Union
WFP	World Food Programme
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WMO	World Meteorological Organization

PROCUREMENT DATA

UNOPS requests statistical data on the procurement of goods and services for operational activities from UN organizations in the form of data on purchase orders raised in the reporting calendar year. Procurement is defined as the acquisition through purchase or lease of real property, goods or other products (including intellectual property), works or services.⁷

Goods include objects of every kind and description, including raw materials, products and equipment and objects in solid, liquid or gaseous form as well as services incidental to the supply of the goods if the value of those incidental services does not exceed that of the goods themselves.

Services include work, duty or labour performed by a contractor pursuant to a contract. Rendering of services may involve the associated provision of utilities or facilities if specified in the terms of the contract. Typical examples of services include security, catering, cleaning, travel management, event management, IT services, training, freight forwarding and consulting.

While UN organizations may have different systems and methodologies for recording and reporting on procurement data individually, for the purposes of the ASR, a common definition of procurement is used and data is collected in a standardized format. Some organizations may therefore publish procurement statistics that differ from those published in the ASR. For example UNDP, in addition to its own direct procurement portfolio, includes National Implementation Modality (NIM) — a distinct activity of UNDP — in its own procurement data (you can find out more about this on UNDP's website⁸). However, NIM is not included in the UNDP's statistics for the ASR.

⁷ As defined by the UN Procurement Practitioner's Handbook, available from: <https://www.ungm.org/Areas/Public/pph/>

⁸ <https://www.undp.org/content/undp/en/home/procurement/business/annual-statistical-report.html>

Participating organizations upload procurement data into an online system, hosted by UNGM, where it is subject to an initial verification, then UNOPS conducts detailed data-quality and consistency checks to ensure that the data is comparable across organizations and years. Each reporting organization is ultimately responsible for the accuracy and completeness of the data it submits.

UNPD extracted, validated and submitted procurement data on behalf of its affiliate organizations that implemented Umoja, a common enterprise resource planning (ERP) system used by a number of UN organizations. Each organization confirms its data submission and is individually represented in the report. The 11 organizations subject to this process in this reporting year were: UNPD, Economic Commission for Latin America and the Caribbean (ECLAC), Economic and Social Commission for Asia and the Pacific (ESCAP), Economic and Social Commission for Western Asia (ESCWA), ITC, United Nations Assistance to the Khmer Rouge Trials (UNAKRT), United Nations Economic Commission for Africa (UNECA), United Nations International Criminal Tribunal for the former Yugoslavia (UN-ICTY/MICT), UNOG, United Nations Office at Nairobi (UNON) and United Nations Office at Vienna (UNOV). Similarly, UNDP prepared and submitted data on behalf of the United Nations Volunteers (UNV), as well as submitting its own data.

PROCUREMENT VOLUME AND CURRENCY

Purchase orders and contracts for services are reported by contract amount and not by expenditures incurred. Many organizations are unable to report on actual expenditures due to technical limitations.

Organizations are able to submit data in one of three currencies: United States Dollars (USD), Euros (EUR) or Swiss Francs (CHF). This report uses only United States Dollars. Where organizations have submitted data in Euros or Swiss Francs, these values have been converted to US Dollars using an average exchange rate, based on operational rates of exchange published by the United Nations Treasury. The rates used for this reporting year are:

1.00 USD = 0.995 CHF

1.00 USD = 0.893 EUR

Most participating organizations operate across multiple geographies and procure in multiple currencies. Each organization determines how it converts from the original currency into currency reported for the ASR.

Unless otherwise stated, changes in procurement volume in either absolute or percentage terms refer to year-on-year changes from the previous reporting year to the current reporting year.

There may be slight differences between sums of numbers presented in tables and figures in the report and the given totals. This is due to rounding.

CATEGORIZATION

To enable reporting on categories of goods and services across all UN organizations, participating organizations are requested to provide procurement data based on the UN Standard Products and Services Code® (UNSPSC) standard, at the most detailed level possible.⁹ The UNSPSC is a publicly available multi-sector standard for classification of goods and services. It is a four-level category hierarchy – the four-levels are segment, family, class and commodity. Minor adaptations have been made for the purposes of presentation in the ASR. These include abbreviating segment names for presentation purposes, and categorizing condoms under the *Pharmaceuticals, contraceptives and vaccines* segment.¹⁰

There was a continued improvement in the ability to specify UNSPSC categories for the reporting organizations in 2019. In some limited cases, organizations are unable to provide information on the categorization of goods and services procured, in which case this data is reported as “unspecified goods” and “unspecified services”. The amount of data reported against unspecified categories decreased from 1.4 per cent, or \$256 million in 2018, to only 1.0 per cent and \$193 million in 2019.

Where categories are known, the organizations also continued to improve the specificity of reporting of goods and services categories. While the amount of goods and services reported at the most general segment level, remained around 13 per cent in 2019, the procurement volume reported at the most specific class and commodity levels increased from 53.9 per cent, or \$10.1 billion, in 2018 to 58.3 per cent, or \$11.6 billion in 2019.

The specificity of reported procurement within a category varies based on the organization and category concerned. Care should be taken when analysing data at more specific levels, as it may not be a true representation of total spend in that sub-category.

⁹ See <http://www.unspsc.org> for more information

¹⁰ More information about the categorization used for the ASR can be found at: https://www.ungm.org/Shared/KnowledgeCenter/Pages/asr_about

SUPPLIER COUNTRY

Throughout this report, the terms 'country' or 'countries' refer to countries and territories. Unless otherwise stated, they refer to supplier countries reported by the submitting organization. Tables and charts show UN Member States only — other countries or territories are displayed as 'remaining countries.'

Country names follow the Standard Country or Area Codes for Statistical Use, referred to as the 'M49 standard' (prepared by the Statistics Division of the United Nations Secretariat).¹¹ The designation of countries by geographic region is also based on this standard.

There is no established convention for the designation of development status countries or areas in the UN system. However, for analytical purposes, this report classifies all countries into one of four broad categories: Developed countries, developing countries, countries with economies in transition and LDCs. The ASR follows the country categorizations defined by UNCTADstat, with the exception of LDCs, for which the M49 standard is followed.¹²

Any maps used are for illustrative purposes and does not imply the expression of any opinion on the part of UNOPS concerning the legal status of any country or territory or concerning the delimitation of frontiers or boundaries.

The designations employed do not imply the expression of any opinion whatsoever on the part of the UN concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. The assignment of countries or areas to specific groupings is for statistical convenience and does not imply any assumption regarding political or other affiliation of countries or territories by the UN.

Many UN organizations cannot report supplier country data due to the technical limitations of the procurement systems in use. Where organizations are unable to provide supplier country information, it is reported under 'unspecified countries'.

Reporting on supplier country information was continuously improved in 2019, with supplier country information for 99.8 per cent of the total UN procurement volume compared to 99.4 per cent in 2018. \$39 million could not be attributed to a specific country; \$12 million of this could be attributed to a region. This improvement can mainly be attributed to the International Labour Organization (ILO) and United Nations Office at Geneva (UNOG) providing supplier country data for all of their procurement in 2019.

¹¹ For more information on the M49 classification, visit: <https://unstats.un.org/unsd/methodology/m49/>

¹² For more information on the United Nations Conference on Trade and Development country designations, visit: <http://unctadstat.unctad.org/EN/Classifications.html>

For analysis where comparisons are made between supplier country and total procurement (for example, the proportion of procurement from developing countries as a percentage of procurement from all countries), adjustments have been made to only include data where the supplier country is known.¹³

SUPPLIER NAME

Supplier names are used in the analysis for procurement from companies participating in the UN Global Compact, as explained further below, and published in the data on major contracts.

Where organizations are unable to provide the name of the supplier, the data is reported under 'Unspecified Supplier.' If the supplier name is protected for security reasons, the supplier name is reported under 'Name withheld for security reasons.'

For analysis based on supplier names and on total procurement (for example, the proportion of procurement from companies participating in the UN Global Compact as a percentage of procurement from all countries), adjustments have been made to only include data where the supplier name is known (not unspecified nor withheld for security reasons).

COLLABORATIVE PROCUREMENT

Collaborative procurement is collected from organizations consistent with the definition of common procurement set out in the 2015 'Harmonizing UN Procurement: Common UN procurement at the Country Level' guidelines by the HLCM-PN Working Group on Harmonization.¹⁴

The types of common procurement considered in the document are:

- Using existing long-term agreements (LTAs) or contracts of other UN organizations ('piggybacking')
- Purchasing against established LTA
- Using the solicitation results to establish own LTA
- Establishing and using joint LTAs and contracts through 'lead agency' approach
- Using procurement services of other UN organizations
- Procuring from another UN organization
- Using a joint procurement unit.

For most organizations, this information is not recorded in ERP systems, and requires estimation and approximation by reporting organizations. In the analysis of collaborative procurement, data where the supplier name matches a recognized UN entity, as well as data flagged as collaborative by reporting organizations, is considered to be collaborative procurement.

¹³ Further information on country designations for the ASR can be found at: https://www.ungm.org/Shared/KnowledgeCenter/Pages/asr_about

¹⁴ The guidelines can be found at https://www.ungm.org/Areas/Public/Downloads/15_06%20HarmonizingUNProcurement_GUIDELINES_final.pdf

In October 2019, the HLCM-PN agreed the following activities be defined as supply chain management collaboration (as distinct to those defined as collaborative procurement):

- Sharing technical requirements (specifications, terms of reference, statement of works) or developing common technical and performance requirements
- Leveraging technical expertise of other UN Organisations and non-UN partners to collaborate on quality assurance of products and services
- Joint forecasting, logistics and warehousing with UN and non-UN partners for the purpose of market shaping activities or Joint assessments of manufacturers' capacity with UN and non-UN partners
- Joint strategies with UN and non-UN partners, e.g. to stimulate and create product development and markets, to ensure product tracking etc.

Information on supply chain management collaboration is submitted separately by reporting organizations.

SUSTAINABLE PROCUREMENT

As in previous years, to enable reporting on the extent to which UN organizations have integrated sustainability considerations into their procurement processes, a voluntary online survey was conducted in parallel with the data collection process for the ASR.

Recognizing some of the existing limitations in capturing sustainable procurement data, the survey included both qualitative and quantitative metrics on sustainable procurement, across the following key themes:

- Policy and strategy
- Integration in procurement processes
- Internal capacity development
- Supplier engagement
- UN Global Compact

The analysis presented on sustainable procurement does not reflect any judgements on any individual organization's progress on sustainable procurement. Rather the data was aggregated to provide a snapshot of noteworthy trends within the UN system.

UN GLOBAL COMPACT

Since 2007, the ASR has examined procurement by UN organizations from companies participating in the UN Global Compact.¹⁵ Supplier names and countries from all UN organizations that submitted data for the ASR were cross-referenced with the list of companies participating in the UN Global Compact, as of 31 December 2019. Suppliers for which names were either not specified by the submitting organization or withheld for security reasons were excluded from the analysis.

The UN system does not give preferential treatment to companies participating in the UN Global Compact, but strongly encourages suppliers to actively participate.

¹⁵ See www.unglobalcompact.org/ for more information



This document is available online
at www.ungm.org and www.unops.org.
Published in July 2020

