2018 ANNUAL STATISTICAL REPORT ON UNITED NATIONS PROCUREMENT

UNOPS

2018 Annual Statistical Report on United Nations Procurement

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INTRODUCTION

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,[1] prepared by the Inter-Agency Procurement Services Office (IAPSO) of the United Nations Development Programme (UNDP). Later that year, the General Assembly requested continued reporting on procurement activities undertaken by UN organizations.[2]

This reporting has evolved from a section in the report 'Operational Activities of the UN System' into comprehensive reporting of procurement by almost 40 organizations. For this 35th edition of the report, the limited online reporting of ASR statistics has been transformed with ASR data now accessible in interactive dashboards.

The ASR includes 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. In 2018, for the first time, all organizations reporting procurement data for the ASR have submitted sustainable procurement information.

The ASR has been compiled and published by UNOPS since 2008 on behalf of organizations of the UN system and in cooperation with the United Nations Global Marketplace, where ASR data is published. UNOPS is grateful to participating UN organizations for their continuous support and contributions that make this publication possible.

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

[1] A/39/417

[2] A/RES/39/220
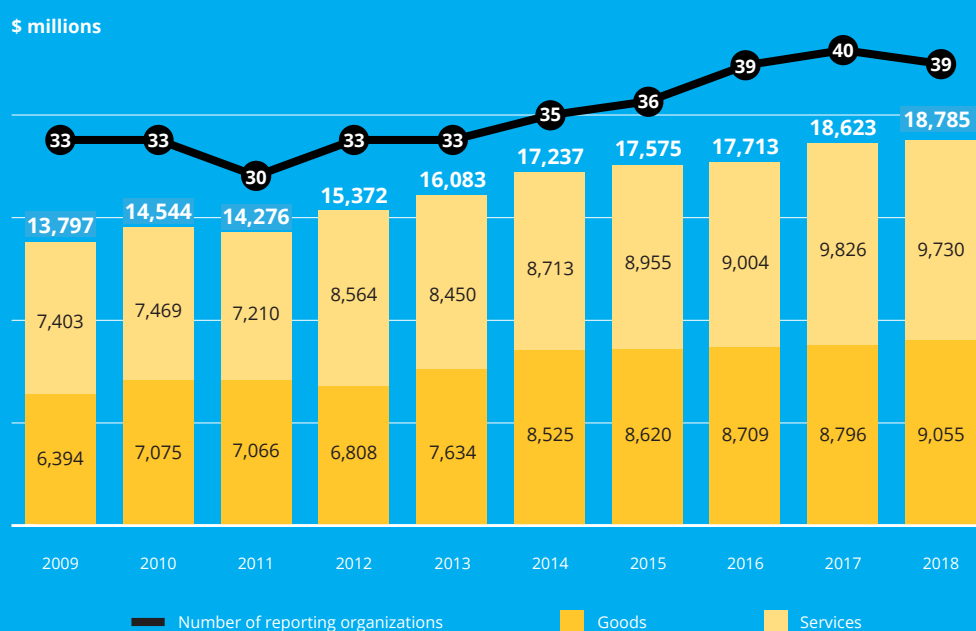
TOTAL
UNITED NATIONS
PROCUREMENT
IN 2018

Total United Nations procurement in 2018

The total procurement volume of United Nations organizations reporting in the 2018 ASR reached $18.8 billion – an increase of 0.9 per cent, or $162 million, compared to 2017. Goods increased by $259 million (or 2.9 per cent), while services decreased by $96 million (or 1.0 per cent). The trend of procurement for the last 10 years is shown in Figure 1.

Thirty-nine organizations reported in 2018, compared to forty in 2017, as the International Monetary Fund (IMF), which reported $272 million of procurement in 2017, was unable to report its procurement data for 2018. When considering only the 39 organizations that reported in both 2017 and 2018, the total procurement volume increased by 2.4 per cent, or $434 million.

For each year since 2013, there are 33 UN organizations that have consistently reported procurement for the ASR. The organizations have increased their combined procurement volume over the period by 11.2 per cent, from $16.1 billion in 2013 to $17.9 billion in 2018.

Figure 1. Total procurement of goods and services, and number of reporting organizations, 2009-2018

$ millions

Year	Services	Goods	Total	Reporting orgs
2009	7,403	6,394	13,797	33
2010	7,469	7,075	14,544	33
2011	7,210	7,066	14,276	30
2012	8,564	6,808	15,372	33
2013	8,450	7,634	16,083	33
2014	8,713	8,525	17,237	35
2015	8,955	8,620	17,575	36
2016	9,004	8,709	17,713	39
2017	9,826	8,796	18,623	40
2018	9,730	9,055	18,785	39

Number of reporting organizations · Goods · Services

MAJOR
COUNTRIES
OF SUPPLY

Major countries of supply

In 2018, UN organizations reported the procurement of goods and services from suppliers in 223 countries and territories, including all 193 Member States. In 129 Member States, the procurement volume exceeded $10 million.

The procurement data for 2018 includes supplier country information for 99.3 per cent of the total UN procurement volume ($127 million could not be attributed to a specific country; $21 million of this could be attributed to a region but not a country). This is a significant improvement over the previous year, due primarily to the International Organization for Migration (IOM) submitting supplier country data for the first time in 2018.

The 10 countries with the highest procurement volumes in 2018 are shown in Table 1, below. Those countries were responsible for $7.6 billion in procurement, or 40.5 per cent of total UN procurement in 2018. The concentration of spend within the top 10 supplier countries remained constant between 2017 and 2018.

Table 1. Top 10 supplier countries by procurement volume, 2018

Supplier Country	Goods 2018 ($ millions)	Services 2018 ($ millions)	Total 2018 ($ millions)	Share of UN total 2018 (%)	Total change 2017-2018 (%)
United States of America	729.7	910.8	1,640.6	8.7%	-5.8%
India	852.7	189.2	1,041.9	5.5%	14.9%
United Arab Emirates	632.4	171.7	804.1	4.3%	0.9%
Belgium	669.3	76.0	745.3	4.0%	3.7%
United Kingdom of Great Britain and Northern Ireland	180.1	402.5	582.6	3.1%	5.0%
Yemen	226.4	349.5	575.9	3.1%	32.8%
France	414.8	156.8	571.5	3.0%	-17.5%
Denmark	217.5	333.4	550.9	2.9%	8.6%
Kenya	198.7	350.6	549.3	2.9%	9.2%
Switzerland	114.5	426.8	541.3	2.9%	-1.1%
Top 10 total	**4,236.0**	**3,367.4**	**7,603.4**	**40.5%**	**2.7%**
UN total	**9,055.2**	**9,729.6**	**18,784.8**	**-**	**0.9%**

The United States of America remained the largest supplier country to the UN with $1.6 billion of goods and services. Its overall procurement volume was lower as a result of the absence of IMF as a reporting organization in 2018 (almost all IMF procurement was from this country in 2017). However, when considering only the 39 organizations reporting in both 2017 and 2018, procurement from the United States of America increased by $171 million, or 11.7 per cent, from 2017 to 2018.

The main category of procurement from the United States of America in 2018 was *pharmaceuticals, contraceptives, vaccines* ($521 million – up $170 million compared to 2017), primarily by the United Nations Children's Fund (UNICEF) and the Pan American Health Organization (PAHO). There was $201 million of *management and administrative services* procured, and $192 million of *engineering and research services*.

In 2018, the top 10 supplier countries included four developing countries (India, United Arab Emirates, Yemen and Kenya, in decreasing order of procurement volume), with combined procurement of $3.0 billion. This represented 15.8 per cent of total UN procurement for 2018.

India was again the second-largest supplier country overall, having been a top 10 supplier country since 2000. After falling by 14.8 per cent from 2016 to 2017, procurement from suppliers in India rose by 14.9 per cent from 2017 to 2018. This was attributed to an additional $129 million of *pharmaceuticals, contraceptives, vaccines*, by far the largest procurement category from India ($771 million total in 2018). The second largest category, *management and administrative services*, was up $16 million, to $56 million, in 2018.

The United Arab Emirates remained the third-largest supplier country, with a 0.9 per cent, or $7.3 million, increase in procurement volume from 2017 to 2018. The country remains the largest supplier country of *fuels and lubricants etc*. to the UN system, supplying $261 million, or 41.1 per cent, of the total UN procurement in the sector. Of that, $254 million was procured by the United Nations Procurement Division (UNPD). The United Arab Emirates was also the largest supplier country of *food and beverage products* ($243 million).

Increased UN activity in Yemen led to an extra $142 million in procurement from suppliers in Yemen in 2018 – a 32.8 per cent increase compared to the previous year, and more than five times the procurement volume reported in 2016 ($108 million). This resulted in Yemen being elevated to the top 10 supplier country list. Six organizations more than doubled their procurement volume from suppliers in Yemen, including the World Food Programme (WFP), which increased its procurement from $136 million to $278 million, including $100 million on *food and beverage products* and $85 million on *transportation, storage, mail services*.

Procurement from suppliers in Kenya rose again in 2018, to $549 million – an increase of 9.2 per cent compared to 2017 and 39.2 per cent compared to 2016. UNPD and WFP increased their procurement from suppliers in Kenya by 29.0 per cent and 14.8 per cent, respectively, to a combined $344 million in 2018. Categories that saw growth in 2018 included *transportation, storage, mail services* (up $23 million to $177 million) and *food and beverage products* (increased by $14 million to $34 million).

Procurement from France fell 17.5 per cent, due in part to reductions in procurement of *laboratory and testing equipment* (down $45 million), *food and beverage products* (down $29 million) and *medical equipment* ($23 million lower compared to 2017). However, this was partly offset by a $28 million increase in *pharmaceuticals, contraceptives, vaccines*.

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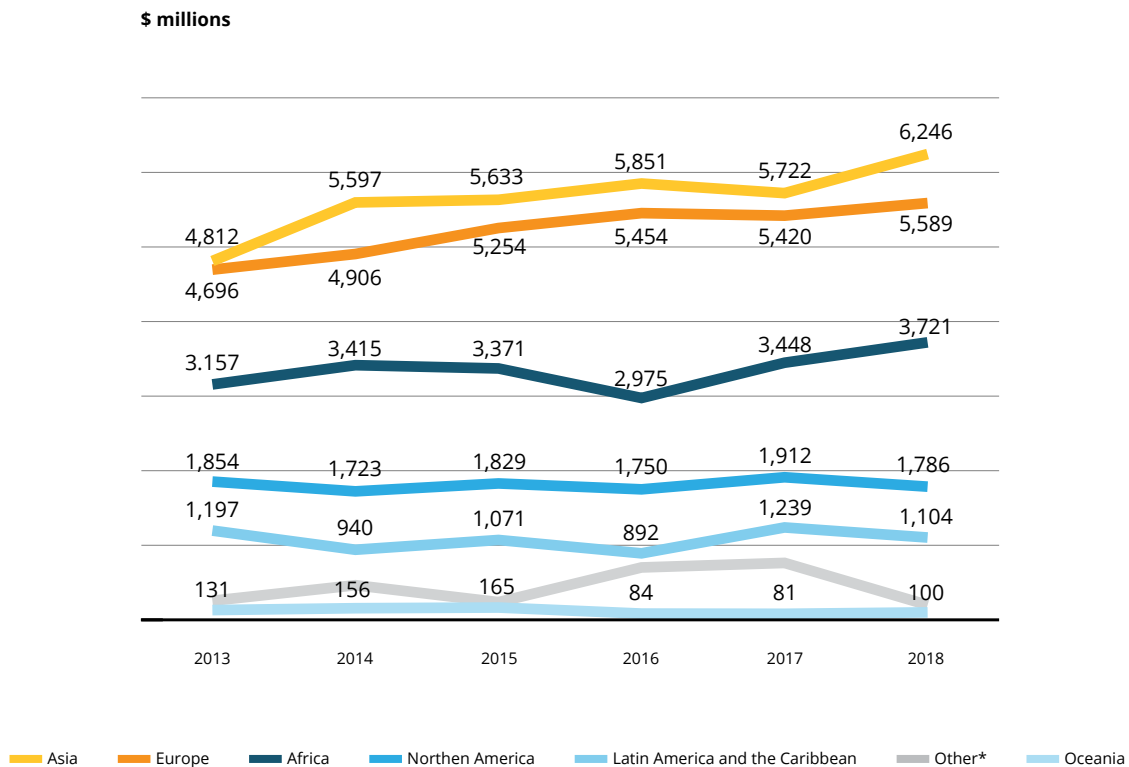
PROCUREMENT BY REGION OF SUPPLIER

Procurement by region of supplier

UN procurement from the Africa, Asia, Europe and Oceania regions increased from 2017 to 2018, while falling in other regions. This was influenced significantly by the availability of IOM supplier country information, which resulted in an additional $252 million being attributed to procurement from suppliers in Africa, $234 million in Asia, $186 million in Europe and $158 million in Latin America and the Caribbean.

Procurement from suppliers in Asia, the largest region by spend, increased the most in absolute terms – by $524 million, or 9.2 per cent, to $6.2 billion. While being the smallest region by procurement volume, Oceania saw the largest procurement increase in percentage terms, up 23.4 per cent to $100 million in 2018, with increases of $9.1 million from suppliers in Australia (up 30.8 per cent) and $7.3 million more from suppliers in Papua New Guinea (up 75.9 per cent).

Figure 2. Total procurement by region, 2013-2018

$ millions

	2013	2014	2015	2016	2017	2018
Asia	4,812	5,597	5,633	5,851	5,722	6,246
Europe	4,696	4,906	5,254	5,454	5,420	5,589
Africa	3.157	3,415	3,371	2,975	3,448	3,721
Northen America	1,854	1,723	1,829	1,750	1,912	1,786
Latin America and the Caribbean	1,197	940	1,071	892	1,239	1,104
Other*	131	156	165	84	81	100

*Includes the State of Palestine and data where supplier country is unknown (labels not shown)

Increased procurement in the Asia region was due primarily to increases in India, the United Arab Emirates and Yemen, as described earlier, as well as increases of $103 million (27.0 per cent) in Iraq and $92 million (48.7 per cent) in Pakistan. The increase in Iraq was driven by $122 million of additional procurement by UNDP, primarily on *building and maintenance services*, as well as $41 million of procurement by IOM. This was partly offset by decreased procurement by a number of organizations including UNICEF, the Office of the United Nations High Commissioner for Refugees (UNHCR) and WFP, by size of decrease. In Pakistan, UNICEF increased its procurement by $44 million to $111 million in 2018, primarily on *management and administrative services*.

Procurement from suppliers in Africa increased by $273 million to $3.7 billion in 2018. In addition to $252 million of IOM procurement, there was an additional $140 million of procurement by WFP, which increased its procurement in the region to $1.3 billion. UNICEF procurement from Africa increased by $61 million, particularly in South Sudan and Nigeria, while procurement by UNPD increased by $31 million. At the same time, UNDP procurement in Africa decreased by $143 million, or 34.9 per cent, including decreases of $97 million in Senegal and $29 million in Togo. In both countries, the decrease was mostly in *engineering and research services*. Procurement by UNHCR in Africa fell $52 million, primarily in Uganda and Sudan.

Europe remained the second largest region for procurement in 2018, increasing 3.1 per cent, or $169 million, compared to 2017. Romania saw the largest increase in dollar terms, up $68 million compared to 2017, mainly due to WFP procurement of *food and beverage products*. The United Nations Population Fund (UNFPA) increased its procurement in the region, particularly for *pharmaceuticals, contraceptives, vaccines* in Belgium and the Netherlands. However, several organizations procured less from suppliers in Europe, including the International Atomic Energy Agency (IAEA), which spent $32 million less, primarily in Austria and Germany. The largest decrease was by UNPD, which spent $36 million less on *land, building and structures*, and $22 million less on *engineering and research services*. France and the Russian Federation were affected most by reduced UNPD procurement, with a reduction of $25 million each.

Procurement from Northern America fell $126 million, or 6.6 per cent, compared to 2017. This was influenced by the absence of IMF data in 2018. When IMF data is factored out, procurement from suppliers in Northern America rose 8.9 per cent, or $147 million. UNICEF and PAHO increased procurement of *pharmaceuticals, contraceptives, vaccines* from the United States of America by a combined $169 million. Procurement from Canada declined by $17 million to $116 million in 2018. The largest category of spend with suppliers in Canada was *transportation, storage, mail services,* with $43 million.

When adjusting for the $158 million of procurement by IOM in the region, procurement from suppliers in Latin America and the Caribbean fell 23.6 per cent, or $292 million. The difference was due partly to a large, multi-year information and communications technology project by UNOPS in Argentina, the procurement for which was reported in 2017, lifting the overall procurement statistics for the region in that year. Additionally, PAHO spent $92 million less in the region in 2018. Procurement from suppliers in Guatemala increased by $69 million due to expenditure on *pharmaceuticals, contraceptives, vaccines*. Procurement from Peru increased by 29.0 per cent as a result of expanded procurement by UNOPS and UNDP, particularly on *engineering and research services*.

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PROCUREMENT FROM DEVELOPING COUNTRIES, COUNTRIES WITH ECONOMIES IN TRANSITION AND LEAST DEVELOPED COUNTRIES
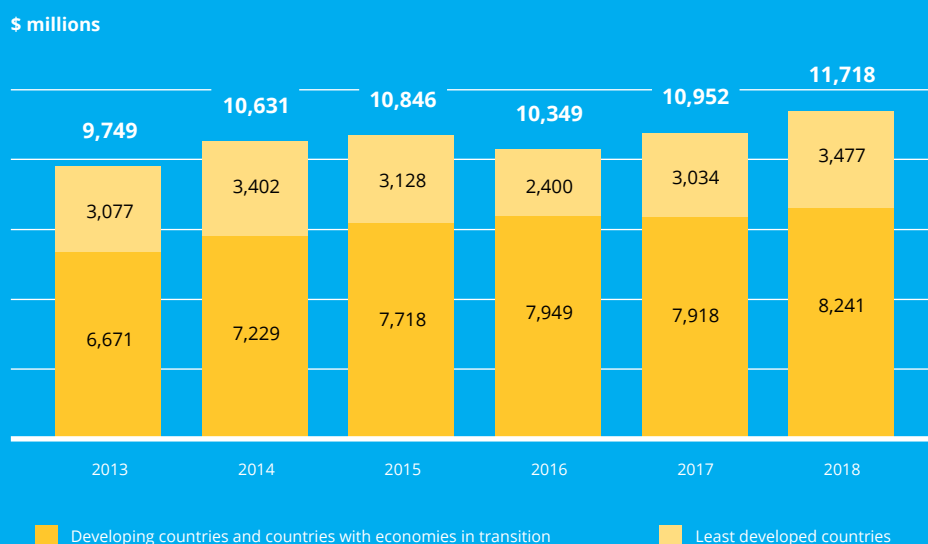
Procurement from developing countries, countries with economies in transition and least developed countries

In 2018, UN procurement from developing countries, countries with economies in transition and least developed countries (LDCs) reached its highest level ever – $11.7 billion, compared to $10.9 billion in 2017. Of that, $761 million was in countries with economies in transition (4.1 per cent), $7.5 billion in developing countries (40.0 per cent), and $3.5 billion in least developed countries (18.6 per cent). The change in procurement from those countries is shown in Figure 3.

The overall increase was due mainly to the receipt of supplier country information from IOM, amounting to $709 million. When considering procurement by the other reporting organizations only, procurement from developing countries, countries with economies in transition and least developed countries rose by 0.9 per cent.

Figure 3. Procurement from developing countries, countries with economies in transition and least developed countries, 2013-2018

$ millions

	2013	2014	2015	2016	2017	2018
Total	9,749	10,631	10,846	10,349	10,952	11,718
Least developed countries	3,077	3,402	3,128	2,400	3,034	3,477
Developing countries and countries with economies in transition	6,671	7,229	7,718	7,949	7,918	8,241

■ Developing countries and countries with economies in transition   ■ Least developed countries

As a percentage of total UN procurement (excluding procurement where the supplier country is unknown), 4.1 per cent came from countries with economies in transition, compared to 3.5 per cent in 2017. Procurement from developing countries was consistent with 2017 levels, at 40.3 per cent, while procurement from least developed countries increased from 16.9 per cent to 18.6 per cent in 2018.

Increasing procurement from those countries is consistent with the 2030 Agenda for Sustainable Development and follows a 2002 request from the General Assembly to encourage organizations of the United Nations system to take further steps to increase procurement opportunities for suppliers from developing countries and countries with economies in transition.[3]

Of the $11.7 billion of goods and services procured in 2018 from developing countries, countries with economies in transition and least developed countries, 63.1 per cent was procured from 20 countries. Those countries are shown in Table 2.

Fifteen of those countries experienced an increase in procurement compared to 2017. In dollar terms, Yemen, India and Iraq had the largest increases (in decreasing order of magnitude), with a combined $381 million in additional procurement compared to 2017. In percentage terms, Pakistan experienced the largest increase (48.7 per cent). Jordan had the largest decrease in absolute and percentage terms. Procurement from suppliers there fell to its lowest level since 2012, down $175 million to $183 million from 2017 to 2018. UNHCR procured $112 million less from suppliers in Jordan in 2018 compared to 2017, while UNICEF spent $34 million less.

Pakistan, Afghanistan and Ukraine rejoined the top 20 list in 2018, after dropping out in 2017 while the Syrian Arab Republic joined the list in 2018. Argentina, Brazil, Panama and the Republic of Korea moved out of the top 20 in 2018 – procurement from those countries was $345 million less in 2018 than in 2017.

[3] A/RES/57/279

Table 2. Top 20 countries by procurement volume – developing countries, countries with economies in transition and least developed countries, 2018

Supplier Country	Goods 2018 ($ millions)	Services 2018 ($ millions)	Total 2018 ($ millions)	Share of UN total 2018 (%)	Total change 2017-2018 (%)
India	852.7	189.2	1,041.9	5.5%	14.9%
United Arab Emirates	632.4	171.7	804.1	4.3%	0.9%
Yemen	226.4	349.5	575.9	3.1%	32.8%
Kenya	198.7	350.6	549.3	2.9%	9.2%
Iraq	71.6	415.2	486.8	2.6%	27.0%
Turkey	286.7	150.3	437.0	2.3%	-5.2%
Lebanon	102.7	270.9	373.7	2.0%	14.9%
Russian Federation	83.4	234.4	317.8	1.7%	10.8%
Ethiopia	111.2	204.7	315.8	1.7%	20.0%
Pakistan	92.8	189.1	281.9	1.5%	48.7%
South Sudan	103.6	153.6	257.2	1.4%	26.0%
Sudan	160.9	96.0	256.8	1.4%	-0.3%
Afghanistan	72.0	174.5	246.5	1.3%	38.5%
Syrian Arab Republic	100.1	119.9	220.1	1.2%	19.8%
China	138.1	76.9	215.0	1.1%	-2.3%
Nigeria	95.5	117.7	213.2	1.1%	1.8%
Uganda	108.8	104.3	213.1	1.1%	10.1%
Ukraine	79.1	125.0	204.0	1.1%	23.6%
South Africa	84.4	115.6	200.0	1.1%	-12.1%
Jordan	63.1	119.5	182.6	1.0%	-49.0%
Top 20 total	**3,664.1**	**3,728.6**	**7,392.6**	**39.4%**	**9.6%**
Developing countries, countries with economies in transition, LDCs total	**5,404.0**	**6,313.6**	**11,717.6**	**62.4%**	**7.4%**
UN total	**9,055.2**	**9,729.6**	**18,784.8**	**-**	**0.9%**

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PROCUREMENT BY ORGANIZATIONS OF THE UNITED NATIONS SYSTEM

Procurement by organizations of the United Nations system

Each reporting organization has a different procurement profile dependent on its mandate and geographical footprint. Some organizations have more predictable and stable procurement volumes and categories, while others may be project-based or sensitive to global events, resulting in more variable volumes and categories. The procurement volume for each organization in 2018 – as well as their respective shares of procurement from developing countries, countries with economies in transition and least developed countries – is shown in Table 3.

The largest 10 organizations by procurement volume in 2018 accounted for $16.7 billion (88.8 per cent) of total procurement volume, compared to $16.3 billion (87.3 per cent) in 2017. While the largest 10 organizations increased their combined procurement by 2.9 per cent, the remaining organizations decreased their combined procurement volume by 1.9 per cent. Overall, 18 organizations increased their procurement volume by a combined $1.0 billion in 2018 compared to 2017, while 21 organizations saw their procurement volume decrease by a combined $569 million.

The growth was largely attributable to increases in procurement by WFP, IOM and UNFPA. Collectively, those organizations recorded an additional $729 million in procurement volume compared to 2017. WFP became the organization with the largest procurement volume in 2018.

WFP was also the organization with the largest increase in volume, which increased by $422 million to $3.5 billion in 2018, making it the organization with the largest procurement volume. WFP procured an additional $201 million of *food and beverage products* and an extra $94 million of *transportation, storage, mail services* in 2018. WFP procured an additional $142 million from suppliers in Yemen, $66 million from suppliers in Romania, and $40 million from suppliers in the United States of America.

In percentage terms, IOM, the United Nations Office at Geneva (UNOG), the International Trade Centre (ITC) and the Economic and Social Commission for Asia and the Pacific (ESCAP) all experienced increases in procurement volume of more than 30 per cent compared to 2017. Key categories of procurement for IOM in 2018 were *management and administrative services* ($105 million), *office equipment* ($50 million) and *IT and communications equipment* ($49 million). UNOG spent an additional $19 million on *building and maintenance services* in 2018, while ITC and ESCAP increased reporting on travel related expenditure.

Table 3. Procurement by United Nations organization

Organization	Total 2018 ($ millions)	Total change 2017-2018 (%)	Share of procurement from developing countries, countries with economies in transition and LDCs 2018 (%)
WFP	3,497.0	13.7%	76.4%
UNICEF	3,486.0	1.7%	55.4%
UNPD	2,636.7	-4.0%	62.0%
UNDP	2,146.5	1.4%	76.7%
UNHCR	1,100.7	-11.2%	62.1%
UNOPS	920.9	-13.8%	61.0%
PAHO	907.8	-1.3%	37.6%
IOM	841.6	36.3%	84.3%
WHO	735.1	10.3%	53.4%
UNFPA	400.1	26.3%	40.1%
FAO*	376.3	1.3%	78.9%
UNRWA	224.9	-7.7%	81.2%
ILO*	217.5	1.3%	41.1%
IAEA	167.3	-23.9%	9.8%
UNIDO	161.6	-9.4%	56.8%
UNOG	142.7	30.1%	6.1%
UN Women	127.5	22.4%	63.7%
WIPO	122.9	7.1%	7.6%
UNESCO	112.6	-12.7%	56.0%
UNOV	103.4	21.9%	73.2%
UNON	52.9	29.5%	76.2%
IFAD	48.7	0.0%	13.0%
ITU	46.6	-2.3%	5.1%
UNAIDS	28.2	-42.8%	49.2%
OPCW	23.5	27.5%	4.0%
ITC	19.1	33.8%	32.6%
UNECA	18.9	-0.1%	77.1%
ESCAP	18.0	33.7%	85.7%
WMO	15.1	6.7%	2.3%
IN-ICTY/ MICT	14.4	-25.5%	13.5%
UPU	14.0	-16,1%	13.5%
UNFCCC	12.6	-48.4%	2.0%
ECLAC	10.3	-25.6%	91.5%
IMO	8.7	-47.0%	12.2%
UNU	7.8	6.4%	9.5%
UNV	7.6	-16.0%	2.4%
ESCWA	5.8	-13.0%	83.5%
UNWTO	2.4	-19.9%	0.2%
UNAKRT	0.7	-36.5%	78.1%
UN total	**18,784.8**	**0.9%**	**62.7%**

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 94%, ILO 62% by volume)

At the same time, the United Nations Framework Convention on Climate Change (UNFCCC), International Maritime Organization (IMO) and the Joint United Nations Programme on HIV/AIDS (UNAIDS) saw falls in procurement volume of 48.4 per cent, 47.0 per cent and 42.8 per cent, respectively. For UNFCCC, procurement in 2017 was higher than normal due to the 2017 United Nations Climate Change Conference, which was held on the premises of the UNFCCC Secretariat in Germany. Its procurement in 2018 returned to a level more consistent with previous years. IMO procurement was lower due to a reduction in project delivery activity, while the procurement volume of UNAIDS was lower due, in part, to improved data quality in 2018.

UNOPS, UNHCR, UNPD and IAEA reported the largest decreases in absolute terms, totalling $449 million between them.

UNOPS procurement volume in 2018 returned to a similar level as in 2016, after the finalization of a large-scale information and communications technology project in Argentina (as noted earlier). For UNHCR, the $139 million (11.2 per cent) decrease was due primarily to the fact that the organization excluded some types of consulting services in 2018 that had previously been included, and to improvements in data quality.
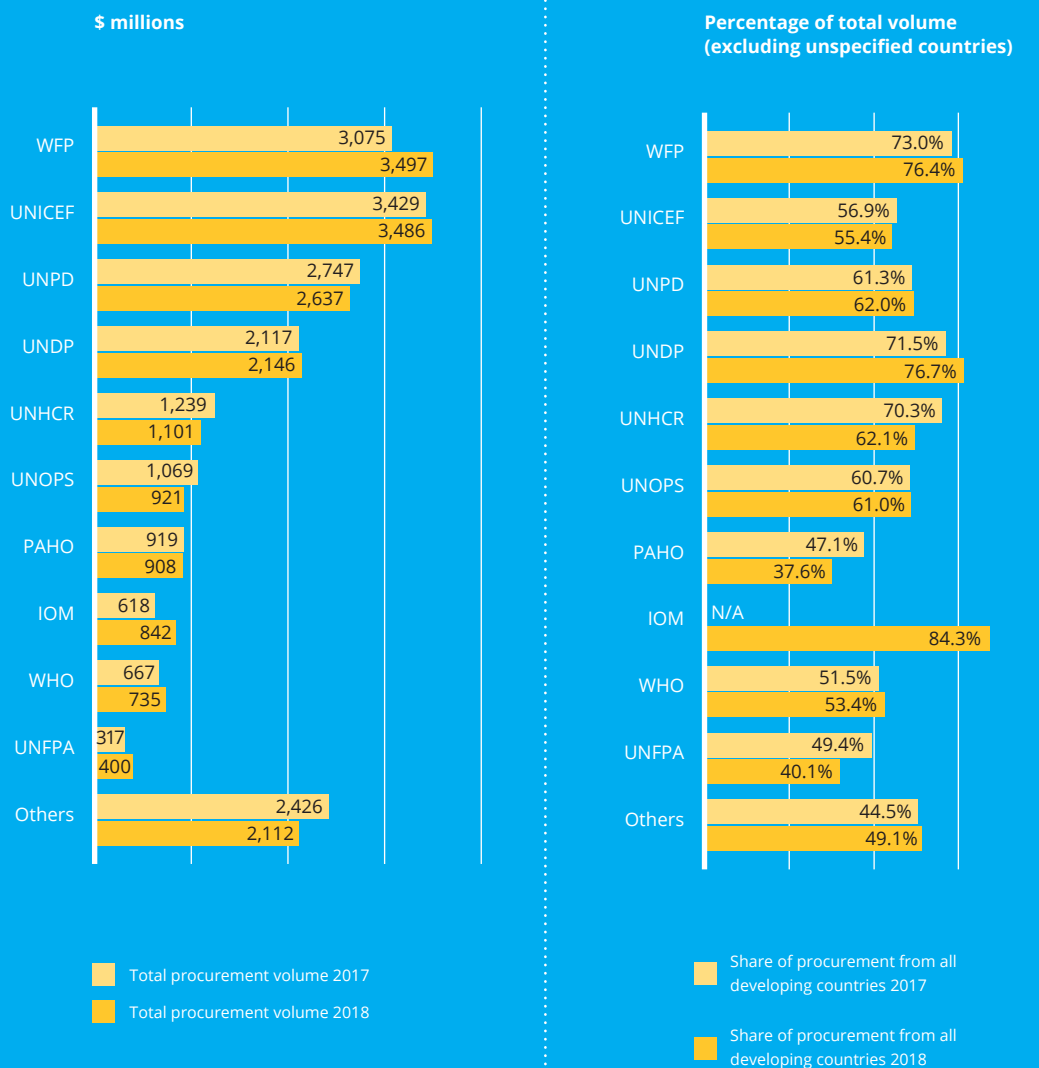
UNPD reported a decrease in procurement of $110 million (4.0 per cent) overall, with reductions in spend on *food and beverage products* (down $45 million), *land, building and structures* (down $42 million) and *engineering and research services* (reduced by $40 million). Reductions in procurement by UNPD were spread across most regions, with the exception of Africa and Oceania, which saw increases of $31 million and $2.8 million, respectively. IAEA procurement volume was down $53 million (23.9 per cent) relative to 2017, due in part to a large construction project that was reported in 2017, as well as changes in the way IAEA reported its procurement data.

In absolute terms, WFP procured the most from developing countries, countries with economies in transition and least developed countries in 2018 ($2.7 billion out of a total $3.5 billion), followed by UNICEF and UNDP. WFP procurement from those countries increased from 73.0 per cent to 76.4 per cent in 2018, with 36.7 per cent procured from least developed countries.

Of the organizations with a procurement volume of more than $100 million, IOM recorded the highest proportion of procurement (84.3 per cent, or $709 million) coming from developing countries, countries with economies in transition and least developed countries while the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) procured 81.2 per cent ($182 million) from such countries.

Of the 10 largest organizations by volume, 5 increased their proportion of procurement from these countries in 2018 compared to 2017, as shown in Figure 4.

Figure 4. Procurement by UN organizations from developing countries, countries with economies in transition and least developed countries, 2017-2018 (top 10 organizations by total procurement value)

$ millions

Organization	2017	2018
WFP	3,075	3,497
UNICEF	3,429	3,486
UNPD	2,747	2,637
UNDP	2,117	2,146
UNHCR	1,239	1,101
UNOPS	1,069	921
PAHO	919	908
IOM	618	842
WHO	667	735
UNFPA	317	400
Others	2,426	2,112

Percentage of total volume (excluding unspecified countries)

Organization	2017	2018
WFP	73.0%	76.4%
UNICEF	56.9%	55.4%
UNPD	61.3%	62.0%
UNDP	71.5%	76.7%
UNHCR	70.3%	62.1%
UNOPS	60.7%	61.0%
PAHO	47.1%	37.6%
IOM	N/A	84.3%
WHO	51.5%	53.4%
UNFPA	49.4%	40.1%
Others	44.5%	49.1%

Total procurement volume 2017
Total procurement volume 2018

Share of procurement from all developing countries 2017

Share of procurement from all developing countries 2018

PROCUREMENT
BY CATEGORY
OF GOODS
AND SERVICES

Procurement by category of goods and services

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

In 2018, all but three reporting organizations were able to specify goods and services categories for their entire data set – 1.4 per cent, or $256 million, was reported against unspecified categories. Where categories are known, organizations continued to improve the specificity of reporting of goods and services categories. In 2018, 12.7 per cent of the procurement volume was reported at the most general segment level, compared to 19.2 per cent in 2017. Additionally, for the first time, in 2018 more than half of the procurement volume was reported at the two most specific class and commodity levels.

Table 4. Top 10 categories of procurement by volume, UNSPSC segment level, 2018

Category (UNSPSC segment level)	Total 2018 ($ millions)	Total change 2017-2018 (%)	Share of procurement from developing countries, countries with economies in transition and LDCs 2018 (%)
Pharmaceuticals, Contraceptives, Vaccines	2,996.4	13.4%	41.0%
Transportation, Storage, Mail Services	2,386.2	2.7%	71.6%
Food and Beverage Products	2,047.5	8.7%	81.1%
Management and Admin Services	1,672.0	-7.6%	65.8%
Building and Maintenance Services	1,393.4	-6.9%	78.6%
Engineering and Research Services	1,105.2	-13.6%	44.9%
Fuels and Lubricants etc.	635.5	3.9%	93.6%
Medical Equipment	605.0	-17.8%	44.5%
Travel, Food and Lodging	450.3	-19.4%	65.9%
IT and Communications Equipment	440.2	-29.7%	65.9%
Top 10 total	**13,731.8**		
UN Total	**18,784.8**		

Table 4 shows the 10 largest segments by procurement volume for 2018. The segments on the list remain the same as in 2017, but with the last four in a different order. There was increased procurement in half of those top 10 segments in 2018.

After a 7.3 per cent fall in procurement from 2016 to 2017, *pharmaceuticals, contraceptives and vaccines*, the largest procurement segment in 2018, increased by 13.4 per cent, or $355 million. Similarly, following a fall in procurement from 2016 to 2017, procurement of *transportation, storage, mail services* returned to its 2016 level in 2018.

Procurement in the *food and beverage products* segment continued to rise in 2018, up 8.1 per cent, or $154 million, in the year, and 36.9 per cent higher than in 2013. WFP continued to be the largest procurer in the segment, with $1.6 billion in 2018. United Arab Emirates, Turkey, Panama and Yemen were the largest countries of supply of *food and beverage products*, with a combined volume of $687 million.

Meanwhile, procurement in the fourth-largest segment, *management and administrative services*, declined by $137 million, or 7.6 per cent, due to reduced procurement by UNHCR, PAHO and UNDP (in decreasing order of magnitude), and the absence of IMF in the 2018 data (IMF procured $91 million in the segment in 2017). This was offset somewhat by an additional $122 million procurement in the segment by UNICEF, as well as increases by IOM, the World Health Organization (WHO) and WFP.

Procurement of *engineering and research services* fell $174 million, or 13.6 per cent, compared to 2017; however, the 2018 level was still $107 million (10.7 per cent) higher than in 2016. *Medical equipment, travel, food and lodging* and *IT and communications equipment* fell by $131 million, $109 million and $186 million, respectively.

There were 53 different segments of goods and services with procurement volumes above $1 million in 2018 (see Figure 5). Of those, there were 19 segments where more than 80 per cent of procurement volume was from developing countries, countries with economies in transition and least developed countries, representing $3.8 billion of procurement. And in 41 segments, more than 50 per cent of the procurement, by volume, was from developing countries, countries with economies in transition and least developed countries. Total procurement from those 41 segments was $12.1 billion.

Food and beverage products was the largest segment where procurement from developing countries, countries with economies in transition and least developed countries represented more than 80 per cent of the total procurement volume. In total, $2.0 billion was procured in this segment in 2018. Of that sum, $1.7 billion was from 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 $107 million procurement volume in 2018 where the supplier country was unknown, $49.5 million was in the *transportation, storage, mail services* segment while $30 million was on *management and administrative services*.

Figure 5. Distribution of categories of goods and services by supplier country development status and total procurement volume by segment, 2018 (segments with procurement volume above $1 million; unspecified goods and services are excluded)

Category – UNSPSC segment (total procurement volume in $ millions)
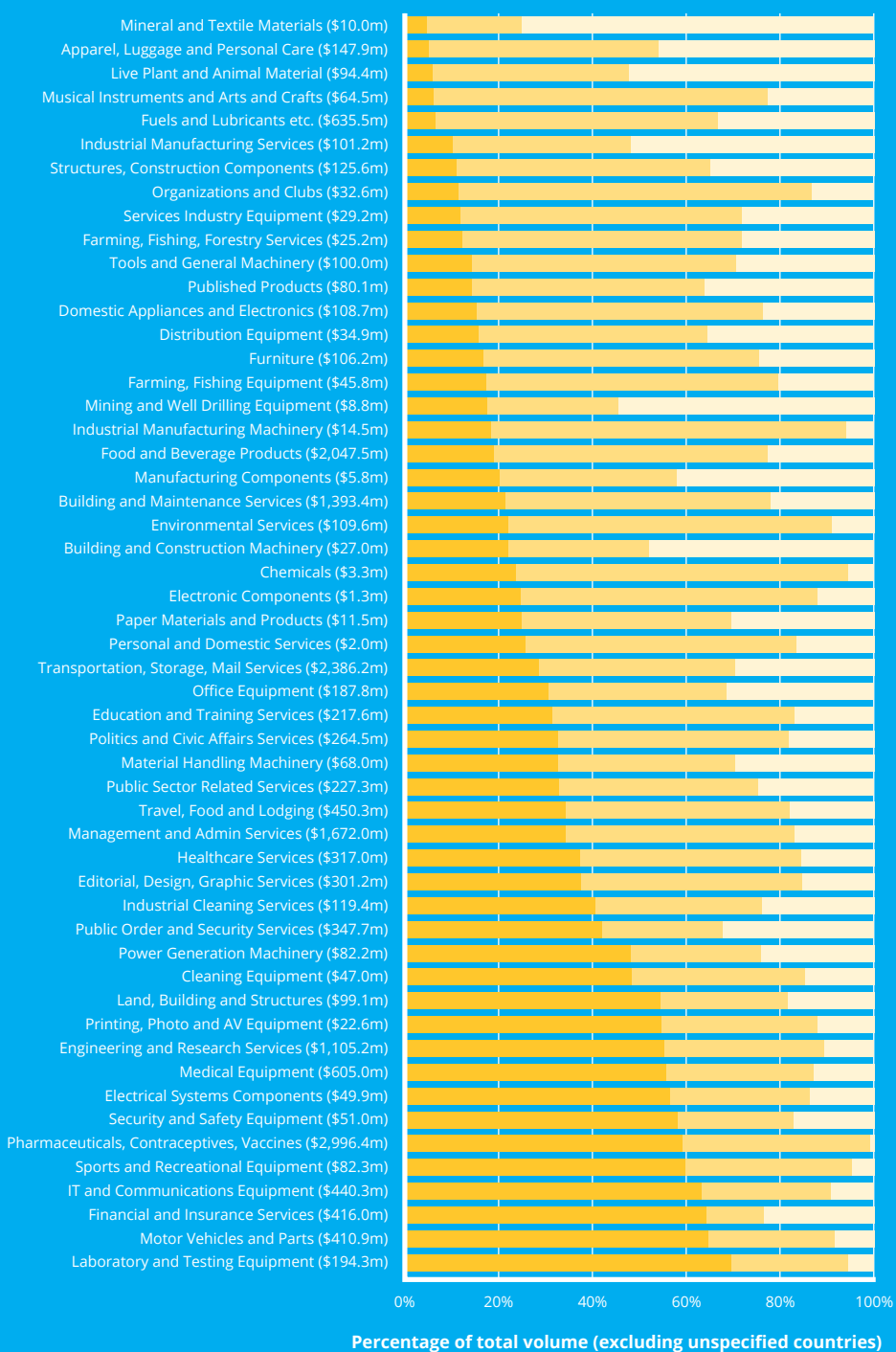
Percentage of total volume (excluding unspecified countries)

■ Developed countries　　■ Developing countries and countries with economies in transition　　■ Least developed countries

SUSTAINABLE PROCUREMENT

Sustainable procurement

The combined purchasing power of UN organizations can be a major contributor to the achievement of the Sustainable Development Goals (SDGs), particularly Goal 12 – Responsible consumption and production.

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."[4]

As part of the ASR, organizations report on the extent to which sustainability considerations are incorporated into their procurement processes. For the first time since the initial inclusion of a voluntary sustainability questionnaire in the ASR in 2008, all reporting organizations reported on their sustainable procurement practices.

Figure 6. Organizations reporting on sustainable procurement (all organizations), 2014-2018

Number of reporting organizations

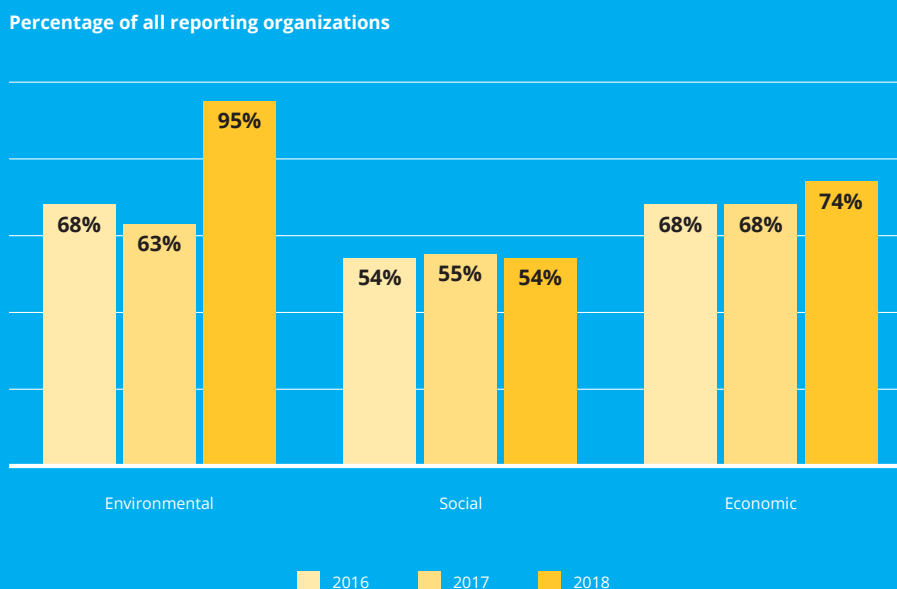| Year	Number
2014	29
2015	32
2016	28
2017	38
2018	39
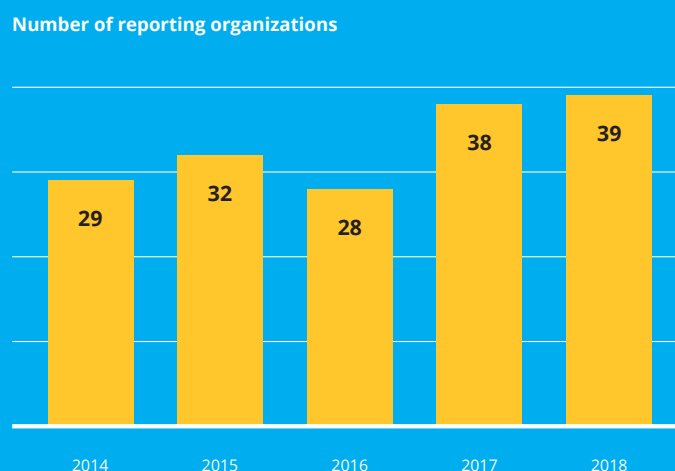
[4] Statement on Sustainable Procurement of the High-Level Committee on Management Procurement Network available at: https://www.ungm.org/Shared/KnowledgeCenter/Pages/PT_SUST

For the 2018 period, organizations continued to report several increasing trends to formalize sustainable procurement through the development of a policy, strategy, or measurable targets and objectives. Of the 39 reporting organizations, 25 noted having implemented (or planning to implement) an official sustainable procurement policy, 23 noted having (or planning to have) a formal sustainable procurement strategy, and 15 reported having established (or planning to establish) measurable targets or objectives.

With regard to the practical application of sustainable procurement, organizations continued to advance their application of sustainable procurement in comparison to previous years. The relative share of organizations including sustainability criteria in requirements definitions, and applying total cost of ownership, increased by 9 percentage points and 6 percentage points respectively, accounting for 62 per cent and 77 per cent, respectively, of the total. The number of organizations reporting on the inclusion of sustainability aspects in contract terms and conditions decreased slightly, by 6 percentage points, but still accounted for approximately one-third of reporting organizations.

Figure 7. Types of considerations integrated into procurement processes, 2016-2018

Percentage of all reporting organizations

Environmental: 68% (2016), 63% (2017), 95% (2018)
Social: 54% (2016), 55% (2017), 54% (2018)
Economic: 68% (2016), 68% (2017), 74% (2018)

2016   2017   2018

As in previous years, environmental and economic sustainability considerations were included in procurement processes more often than social ones (which remained relatively static). However, in 2018 reporting organizations noted a much stronger focus on environmental considerations than in the previous four years: 95 per cent of organizations included them in their procurement processes, a relative share increase of 32 percentage points over the 2017 level.
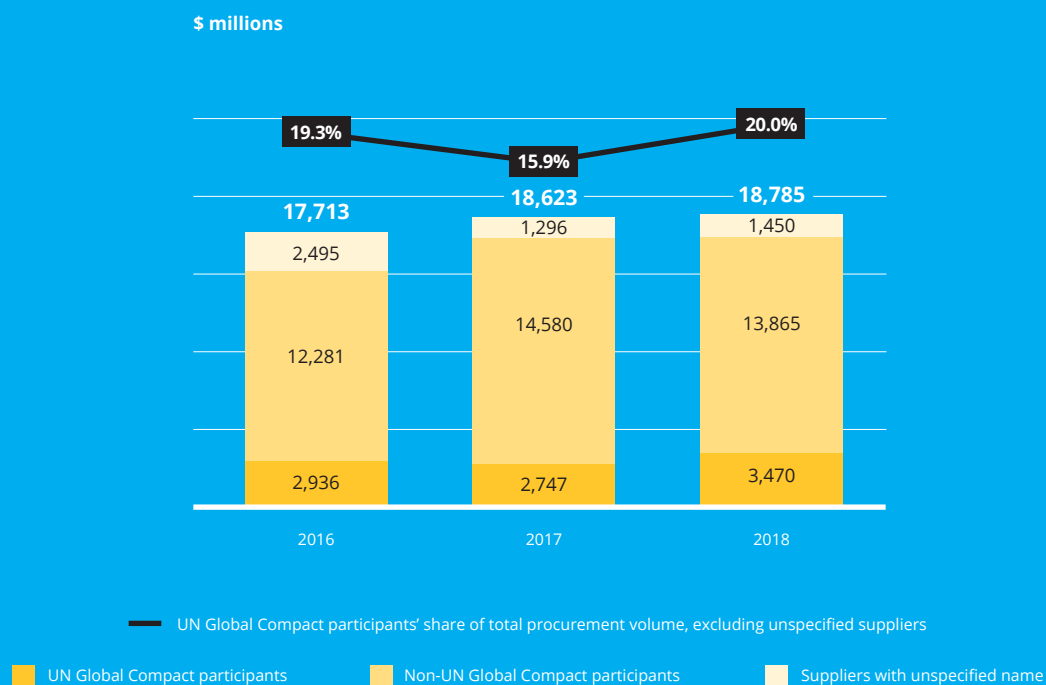
Building the capacity of internal personnel continued to expand in 2018, with 25 organizations providing training for their employees on sustainable procurement over the course of the last three years, representing 64 per cent of the total number of organizations. This is an improvement of six percentage points compared to the last survey.

In terms of supplier engagement, slightly more than half of the reporting organizations said that they verified suppliers' adherence to the UN Supplier Code of Conduct, which is consistent with 2017 numbers. Approximately one-third (31 per cent) of reporting organizations noted that they collaborate with suppliers to enhance the sustainability of their supply chains, which was more (5 percentage points) than was reported in 2017.

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

In 2018, the share of procurement from companies identified as participating in the UN Global Compact increased to 20.0 per cent of the total UN procurement spend, representing a 4.1 percentage point increase over 2017 numbers. The increase was likely due to improvements in the data quality of reported supplier names from submitting UN organizations.

Figure 8. UN procurement from UN Global Compact participants, 2016-2018

$ millions

— UN Global Compact participants' share of total procurement volume, excluding unspecified suppliers

■ UN Global Compact participants ■ Non-UN Global Compact participants ■ Suppliers with unspecified name

COLLABORATIVE
PROCUREMENT

Collaborative procurement

Data on collaborative procurement was first collected for the 2016 edition of the ASR. Despite challenges in reporting such information, the number of organizations submitting collaborative procurement information has continued to increase.

The collection of data on collaborative procurement was initiated in response to 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 also requested that the organizations record details of the efficiencies achieved through collaborative procurement and report on them in a consolidated format. The ASR provides one avenue for organizations to report this information.

Collaborative procurement is defined in the Common Glossary of Procurement Terms[5] as a procurement arrangement in which several UN organizations combine their efforts to undertake procurement in cooperation or share the outcome of a procurement process, thereby achieving benefits for the group in its entirety. 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.

Collaborative procurement encompasses the following range of activities (as defined by the Guidelines for Common UN Procurement at the Country Level):[6]

- Using existing long-term agreements (LTAs) or contracts of other UN organizations ('piggybacking')
- Purchasing against an 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

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[5] See the UN Procurement Practitioner's Handbook: https://www.ungm.org/Shared/KnowledgeCenter/Pages/PPH2

[6] As defined by the High-Level Committee on Management Procurement Network: https://www.ungm.org/Areas/Public/Downloads/15_06%20HarmonizingUNProcurement_GUIDELINES_final.pdf

- Procuring from another UN organization
- Using a joint procurement unit

Of the 39 organizations submitting procurement data in 2018, 27 reported on collaborative procurement in their submission (compared to 22 in 2017). In addition, for the purposes of this analysis, transactions where the supplier was another UN organization have been identified as collaborative procurement. Where such data is included, almost all organizations used collaborative procurement approaches in 2018.

The total collaborative procurement volume for 2018, including procurement from another UN organization and other transactions identified as collaborative procurement, was $2.6 billion, representing 13.9 per cent of the total procurement volume.

Procurement transactions where an organization procured goods and services from another UN organization constituted $549 million, or 2.9 per cent of the total procurement volume.

Other collaborative procurement activities (procurement indicated by organizations as using collaborative procurement approaches, but excluding UN procurement from other UN organizations) totalled $2.1 billion. Most organizations have technical restrictions that limit their ability to report on collaborative procurement, so that figure would represent a conservative estimate of collaborative procurement in the UN system.

FIND OUT
MORE

Find out more

The insights in this report only scratch the surface of the data available in the ASR. New online interactive and user-friendly dashboards have been released alongside the 2018 report in UNGM. These dashboards provide you with the ability to delve deeper into procurement statistics and analyze procurement from certain countries, agencies, spend category, 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.
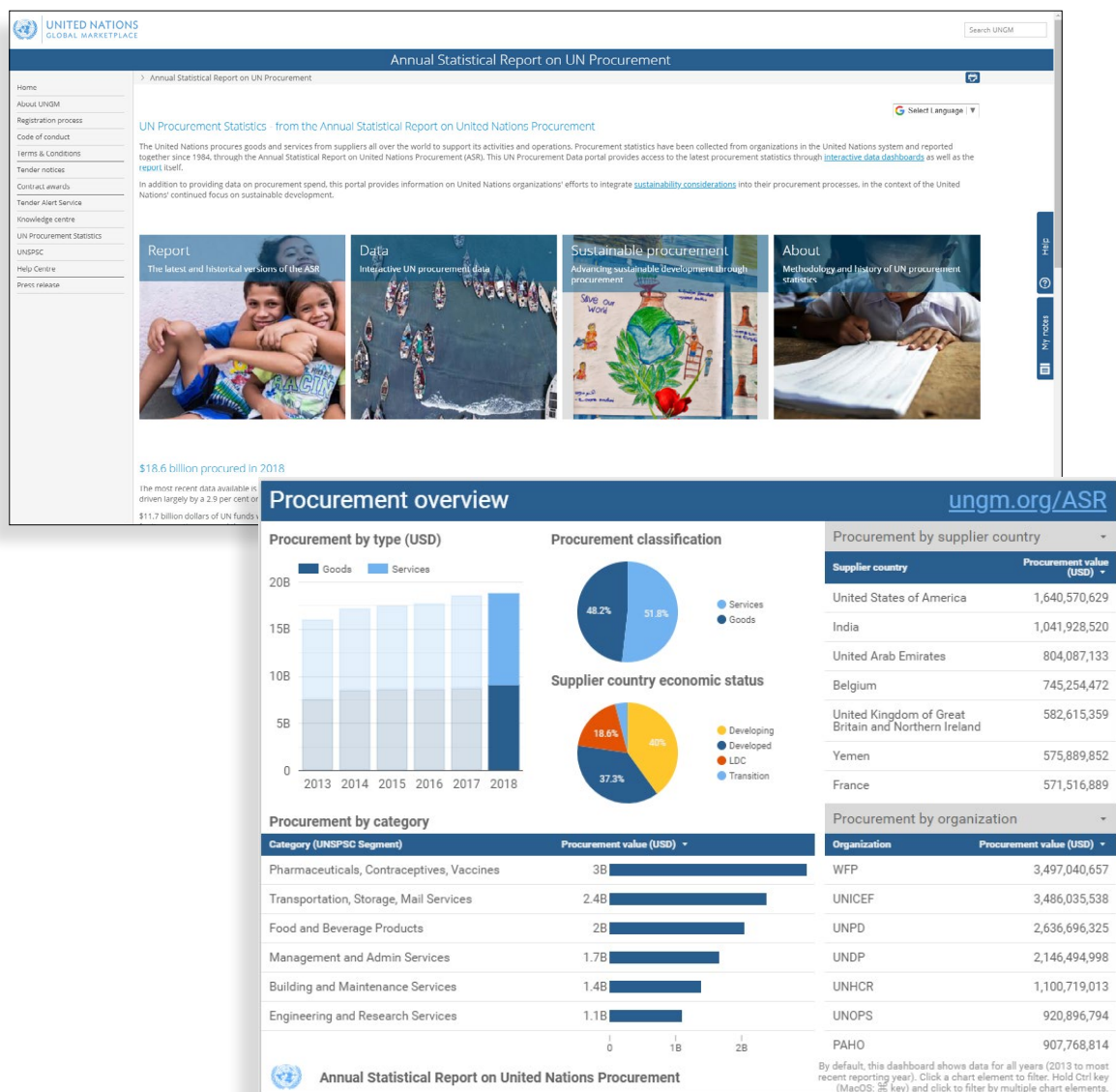
APPENDIX

Methodology

For 2018, 39 UN organizations participated in the ASR, compared to 40 in 2017, with the IMF unable to report procurement data in 2018. Where this report refers to procurement by the UN 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
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
UN-ICTY/ MICT	United Nations International Criminal Tribunal for the former Yugoslavia
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 requested 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 descriptions, including raw materials, products and equipment and objects in solid, liquid or gaseous form, and electricity, 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.

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

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. Further, some organizations have limitations on the level of detail they are able to provide.

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, ECLAC, ESCAP, ESCWA, ITC, UNAKRT, UNECA, UNICTY/MICT, UNOG, UNON and UNOV. Similarly, UNDP prepared and submitted data on behalf of 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). The 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 = 0.977 CHF
- 1.00 USD = 0.846 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 United Nations Standard Products and Services Code® (UNSPSC) standard, at the most detailed level possible.[8] 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, vaccines segment.[9]

Most organizations are able to provide data at UNSPSC family level, the second level in the UNSPSC hierarchy. However, some organizations are limited to providing information only at UNSPSC segment level – the top level of the hierarchy. Analysis in the report is based on categorization at the segment level. 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.

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.'

[8] See http://www.unspsc.org for more information

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

Country names, as well as their designation by geographic region, 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).[10]

There is no established convention for the designation of development status of 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 least developed countries (LDCs). The ASR follows the country categorizations defined by UNCTADstat, with the exception of LDCs, for which the M49 standard is followed.[11]

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.' For 2018, some procurement by ILO is reported against 'Unspecified Countries' due to data limitations associated with the phasing-out of its legacy ERP system.

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.[12]

[10] For more information on the M49 classification, visit: https://unstats.un.org/unsd/methodology/m49/

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

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

Supplier names

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 2018, some procurement by ILO is reported against 'Unspecified Supplier' due to data limitations associated with the phasing out of its legacy ERP system.

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 United Nations High-Level Committee on Management Procurement Network (HLCM-PN) Working Group on Harmonization.[13]

The types of common procurement considered in the ASR, as set out in the guidelines, 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; and 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] The guidelines can be found at: https://www.ungm.org/Areas/Public/Downloads/15_06%20 HarmonizingUNProcurement_GUIDELINES_final.pdf

In 2018, as part of its data submission, UNICEF reported $1.7 billion in technical collaboration related to the provision of technical and quality assurance expertise between UNICEF and WHO. A significant portion of this was utilizing the WHO standards in UNICEF procurement of medicines, which is not reported by any other organization utilizing WHO standards.

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.

United Nations Global Compact

Since 2007, the ASR has examined procurement by UN organizations from companies participating in the UN Global Compact.[14] 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 2018. 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.

[14] See www.unglobalcompact.org/ for more information

UNOPS