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United Nations Office for Project Services

Annual statistical report on United Nations procurement, 2019

Summary

The Executive Director of UNOPS submits the present report on procurement by organizations in the United Nations system to the Executive Board pursuant to its decision 2007/38. The complete annual statistical report on United Nations procurement may be obtained in the language of submission from the Executive Board secretariat and at the United Nations Global Marketplace website (<http://www.ungm.org/ASR>).

Thirty-nine organizations submitted data for inclusion in the annual statistical report, 2019. They procured goods and services worth \$19.9 billion in 2019, an increase of 5.9 per cent, or \$1.1 billion, compared to 2018 (when the same 39 organizations reported). The share of procurement from developing countries, countries with economies in transition and least developed countries was 62.1 per cent.

The annual statistical report, 2019, contains:

- (a) a trend analysis of United Nations procurement by goods and services, United Nations organization, category and subcategory of goods and services, countries and regions of supply;
- (b) an analysis of United Nations procurement from suppliers in countries with economies in transition, developing countries, and least developed countries;
- (c) an analysis of sustainable procurement practices in the United Nations system and of United Nations procurement from suppliers that are participants of the United Nations Global Compact; and
- (d) an analysis of collaborative procurement between United Nations organizations.

The website includes interactive dashboards that allow users to access data on procurement by United Nations organization, country of supply, and procurement category, as well as details of the procurement of major goods and services (over \$30,000).

Elements of a decision

The Executive Board may wish to take note of the present report and welcome the data and analysis it contains.



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Introduction

1. The annual statistical report on United Nations procurement provides an overview of the procurement of the United Nations system in support of its operations, projects and programmes.
2. This report evolved from being a section in the ‘Operational activities of the United Nations 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. This 36th edition of the report presents an analysis of key trends in United Nations procurement and is complemented by the full statistics published online in interactive dashboards.
3. UNOPS is grateful to participating United Nations 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.

Notes

4. See full notes on the methodology for data collection and presentation at <http://www.ungm.org/ASR>.
5. Where this report refers to procurement by the United Nations, the United Nations system, or United Nations organizations, it refers to the procurement activities of the 39 organizations that submitted procurement data for the annual statistical report, 2019.
6. Procurement is defined as the acquisition through purchase or lease of real property, goods or other products (including intellectual property), works, or services. While United Nations organizations may have different systems and methodologies for recording and reporting on procurement data individually, for the annual statistical report a common definition of procurement¹ is used, and data is collected in a standardized format. Some organizations may publish procurement statistics that differ from those published in the annual statistical report. Further, some organizations have limitations on the level of detail they are able to provide.
7. Purchase orders and contracts for services are reported by contract amount, not by expenditures incurred.
8. For categorization of goods and services, the annual statistical report uses the United Nations Standard Products and Services Code² standard, a publicly available multi-sector standard classifying goods and services, at the most detailed level possible. Some code names have been shortened or modified.
9. Throughout the report, the terms ‘country’ and ‘countries’ refer to countries and territories. Unless otherwise stated, they refer to supplier countries reported by the submitting organization. Country names, as well as their designations 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)³. For analytical purposes, the report classifies all countries into one of four broad categories: developed countries; developing countries; countries with economies in transition; and least developed countries. The report follows the country categorizations defined by the United Nations Conference on Trade and Development (UNCTAD)⁴ – with the exception of least developed countries, for which the M49 standard is followed. The designations employed do not reflect any opinion on the part of the United Nations concerning the legal status of any country, territory, city, area, or its authorities, or the delimitation of its frontiers or boundaries. The assignment of countries or areas to particular groupings is for statistical convenience and does not imply any assumption regarding political or other affiliation of countries or territories by the United Nations.

¹ Consistent with the United Nations Procurement Practitioner’s Handbook, available from <https://www.ungm.org/Areas/Public/pph>

² See <http://www.unspsc.org>.

³ For more information on the M49 classification, see <https://unstats.un.org/unsd/methodology/m49>.

⁴ For more information on UNCTAD country designations, see <http://unctadstat.unctad.org/EN/Classifications.html>.

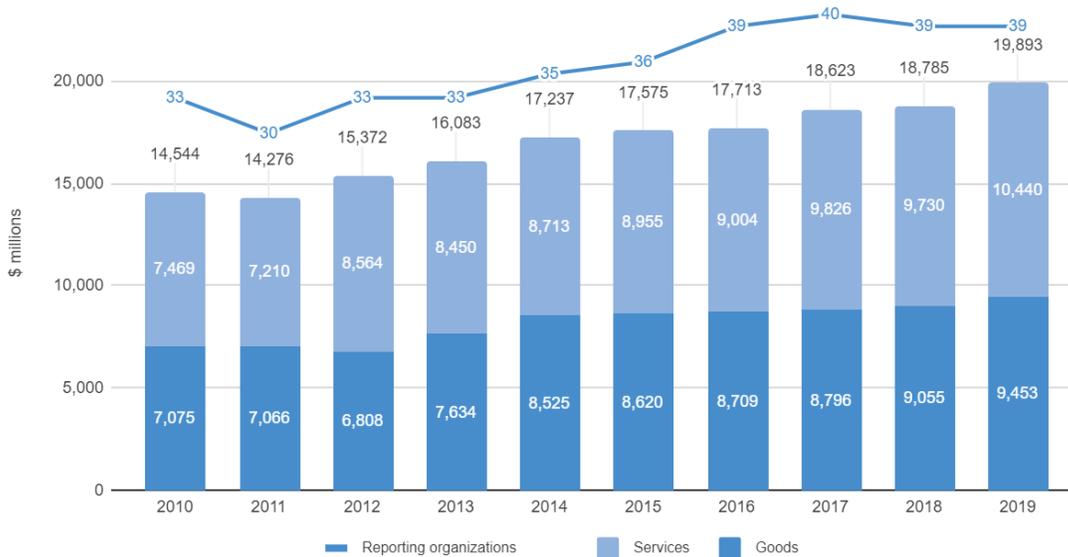
I. Total United Nations procurement in 2019

10. United Nations 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.

11. 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.

12. 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 the United Nations Children’s Fund (UNICEF), UNOPS, and the 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



II. Procurement by organizations of the United Nations system

13. The United Nations 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) is shown in table 1.

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

15. 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). The 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.

16. 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.

17. 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, the Democratic Republic of the Congo, and Switzerland, in that order.

Table 1. Procurement by United Nations organization, 2019

Organization	Total (\$ millions)	Total change 2018-2019 (%)	Share of procurement from developing countries, countries with economies in transition and least developed countries (LDCs) 2019 (%)
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%
United Nations total	19,892.6	5.9%	62.1%

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

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

18. 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.

19. The largest decrease, in absolute terms, was reported by the United Nations Procurement Division, 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.

20. 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.

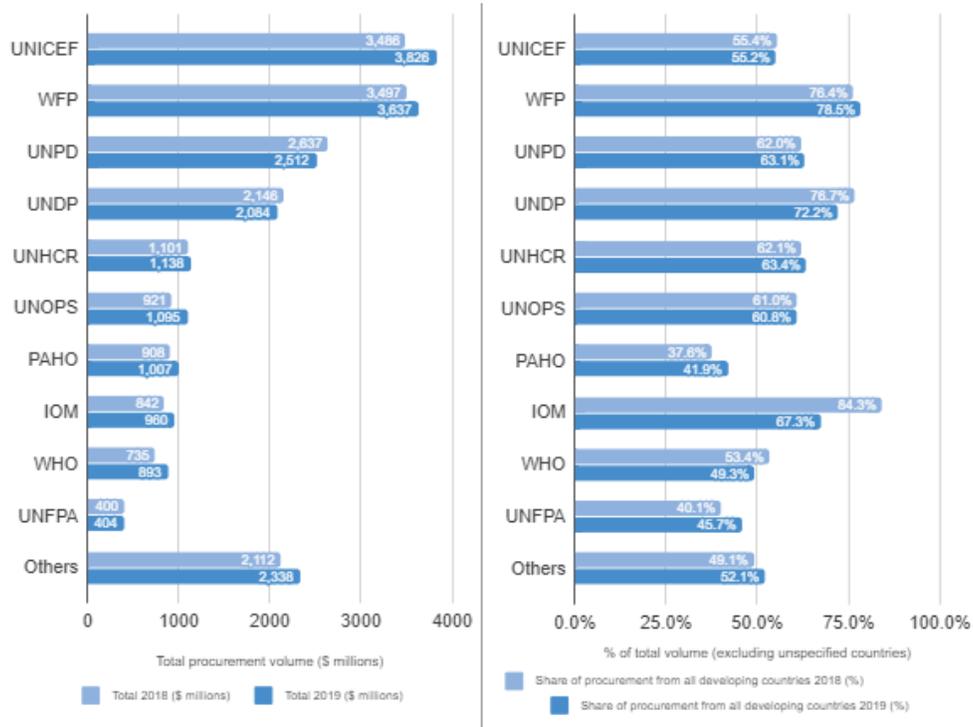
21. Six organizations reported increases in procurement volume of over 30 per cent compared to 2018. The largest percentage increase was seen by the International Maritime Organization (IMO), with 147.0 per cent, or \$13 million, explained in part by recovery after a large drop in procurement in 2018, and by an increase in project delivery in 2019. Key categories for IMO in 2019 were *Education and training services* (\$7 million), *Travel, food and lodging* (\$3 million), and *Office equipment* (\$2 million).

22. 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 least developed countries, developing countries, and countries with economies in transition. Five organizations increased their proportion of procurement from those countries in 2019, compared to 2018.

23. In absolute terms, WFP procured the most from developing countries, countries with economies in transition and least developed countries in 2019 (\$2.9 billion out of a total \$3.6 billion), followed by UNICEF and the United Nations Procurement Division. 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 least developed countries.

24. 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 least developed countries, an increase over 2018, when 81.3 per cent (\$183 million) was procured from those countries.

Figure 2. Procurement by United Nations organizations from developing countries, countries with economies in transition and least developed countries, 2018-2019 (top 10 organizations, by total procurement volume)



III. Procurement by category of goods and services

25. United Nations 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 United Nations system.

26. 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 *Information technology 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.

Table 2. Top 10 categories of procurement by volume, United Nations Standard Products and Services Code (UNSPSC) segment level, 2019

Category (UNSPSC segment level)	Total 2019 (\$ 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 and mail services	2,653.6	11.2%	70.9%
Food and beverage products	2,070.4	1.1%	84.4%
Management and administrative 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		
United Nations total	19,892.6		

27. There was an increase in procurement for seven of the top 10 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).

28. 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).

29. *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 *Immuno-modulating drugs*, mainly by UNICEF, the Pan-American Health Organization (PAHO) and WHO, with increases of \$206 million, \$78 million, and \$45 million, respectively.

30. 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 82 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.

31. 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 the Office of the United Nations High Commissioner for Refugees (UNHCR), which together were responsible for 53 per cent of total procurement in this segment.

32. 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.

33. *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 million). In contrast, *Fuel and lubricants* decreased by 5.7 per cent due to decreases by WFP (\$56 million) and the United Nations Procurement Division (\$46 million).

IV. Subcategories within the top categories of procurement

34. The following analysis shows the breakdown of the top five largest segments into class level – the third level in the United Nations Standard Products and Services Code hierarchy for the procurement volume where this information is available.

35. 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 United Nations Standard Products and Services Code 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 oestrogens*, at 1.5 per cent.

36. *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.

37. 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).

38. 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.

39. 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.

V. Major countries of supply

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

41. 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 United Nations 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.

Supplier country	Goods (\$ millions)	Services (\$ millions)	Total (\$ millions)	Share of United Nations 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%
Ave 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%
United Nations total	9,453.0	10,439.5	19,892.6		5.9%

42. The United States of America remains the largest supplier country to the United Nations. 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 (\$83 million) by UNICEF and PAHO was the main driver of the rise.

43. *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.

44. 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 United Nations procurement for 2019, an increase from 15.8 per cent for 2018.

45. 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 United Nations, 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, to 20.7 per cent.

46. There was a continued increase in United Nations 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 volumes reported in 2016 (\$108 million). The country thus became the third-largest

country of supply to the United Nations 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).

47. 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 United Nations system, supplying \$266 million, or 44.3 per cent, of total United Nations procurement in the category. Of that, \$260 million was procured by the United Nations Procurement Division. 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.

48. 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).

49. Suppliers from Switzerland had a substantial increase in 2019, up 33.8 per cent, or \$83 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, recorded mainly against suppliers in Switzerland.

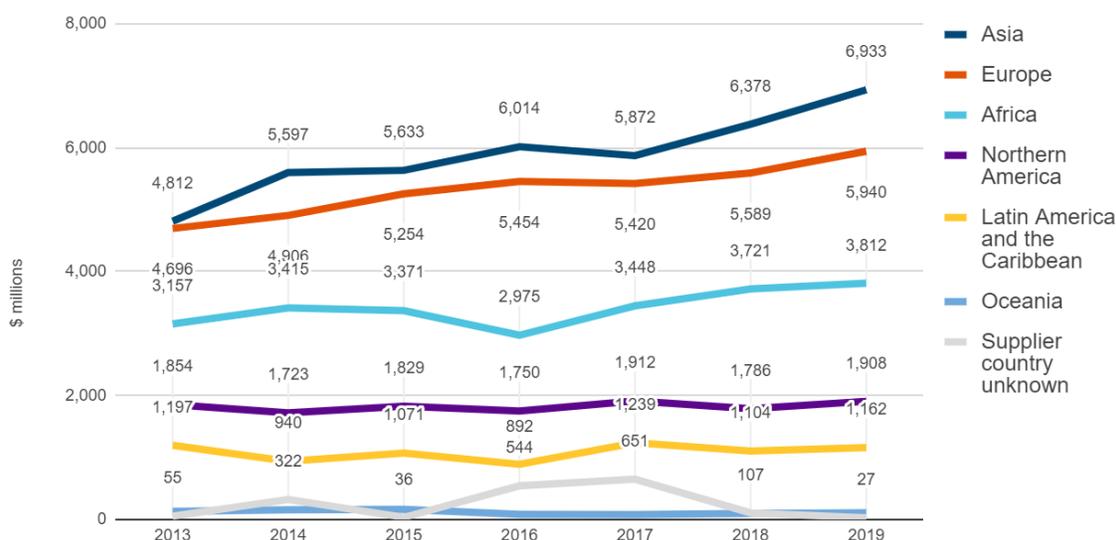
50. Meanwhile, Belgium experienced a drop in supplies to the United Nations (4.8 per cent). The decrease was a result of reductions in procurement of *Pharmaceuticals, contraceptives and vaccines* by UNICEF (down \$30 million) and UNFPA (down \$23 million). However, this was partly offset by a \$21 million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

51. 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 United Nations-facilitated procurement where the goods and services were provided by another United Nations organization. More information on United Nations-to-United Nations procurement can be found in chapter IX, on collaborative procurement.

VI. Procurement volume by region of supplier

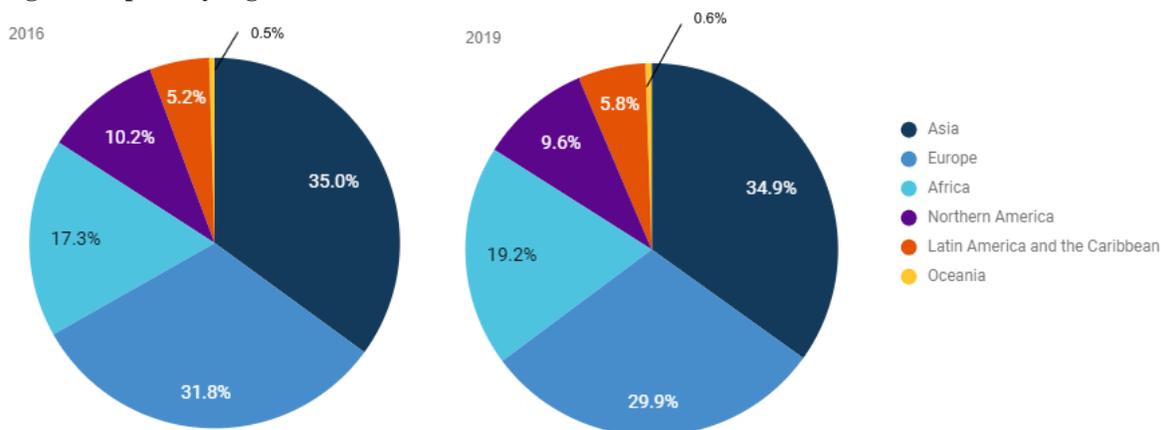
52. United Nations procurement rose in all regions from 2018 to 2019. However, the rate of increase varied from region to region: Asia, Europe, Northern America and Oceania grew at a faster rate than the global average, while the increase in Africa and Latin America and the Caribbean was slower.

Figure 3. Total procurement by region, 2013-2019



53. 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 4. Spend by region in 2016 and 2019



54. 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.

55. 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).

56. 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. 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 the United Nations Procurement Division. WFP spent \$65 million less on *Food and beverage products* from European suppliers, while the United Nations Procurement Division spent \$52 million less with suppliers from France and the United Kingdom of Great Britain and Northern Ireland.

57. 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 United Nations 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.

58. 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 the United Nations Procurement Division. 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.

59. 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.

60. 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 \$5 million from suppliers in New Zealand (up 86.8 per cent) and \$2 million more from suppliers in Australia (up 5.9 per cent) compared to 2018.

VII. Procurement from developing countries, countries with economies in transition, and least developed countries

61. Increasing procurement from least developed countries, 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. In response, United Nations organizations have placed more orders with suppliers from these countries, reaching an all-time high in 2019.

62. Total procurement volume from these countries increased from \$11.7 billion in 2018 to \$12.3 billion in 2019, while their share of United Nations procurement decreased by 0.6 per cent in 2019. Economies in transition had a procurement of \$750 million, developing countries \$7.7 billion, and least developed countries \$3.9 billion. Figure 5 shows the change in procurement from these countries.

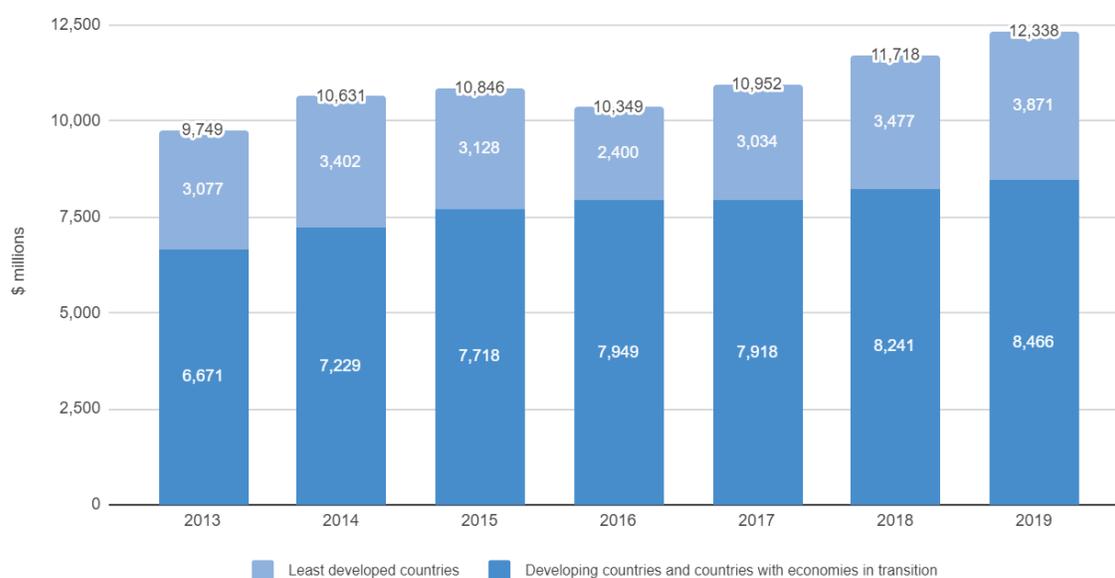
63. The percentage of total United Nations procurement (excluding where the supplier country is unknown) that came from countries with economies in transition decreased in 2019 to 3.8 per cent, compared to 4.1 per cent in 2018. The share of procurement from developing countries also decreased, to 38.8 per cent in 2019 compared to 40.0 per cent in 2018, while procurement from least developed countries 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.

64. 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.

65. 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).

66. For least developed countries, 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 least developed countries 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.

Figure 5. Procurement from developing countries, countries with economies in transition and least developed countries, 2013-2019



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

68. 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.

69. 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.

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

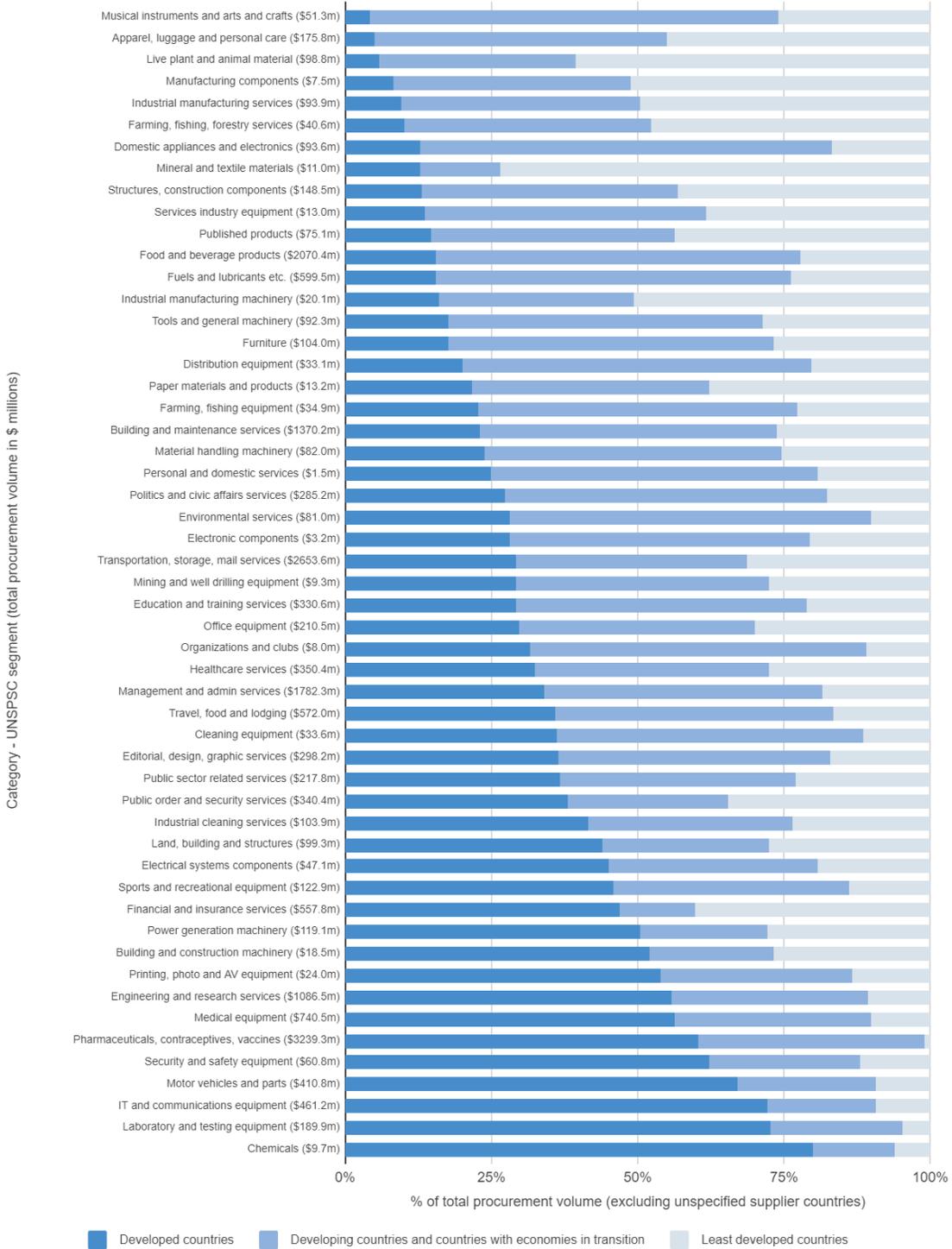
Supplier country	Goods (\$ millions)	Services (\$ millions)	Total (\$ millions)	Share of United Nations total (%)	Total change 2018-2019 (%)
India	938.8	173.1	1,111.9	5.6%	6.7%
Yemen	256.2	615.8	872.0	4.4%	51.4%
United Arab Emirates	635.0	205.4	840.5	4.2%	4.5%
Kenya	216.6	365.4	582.0	2.9%	6.0%
Turkey	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%
United Nations total	9,453.0	10,439.5	19,892.6		5.9%

70. Figure 6 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 least developed countries, 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 least developed countries. Total procurement from those 42 segments was \$13.3 billion.

71. *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, \$2.1 billion was procured in this segment in 2019. Of that sum, \$1.7 billion was from developing countries and countries with economies in transition.

72. 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 6. Distribution of categories of goods and services by supplier country development status, 2019 (segments above \$1 million)



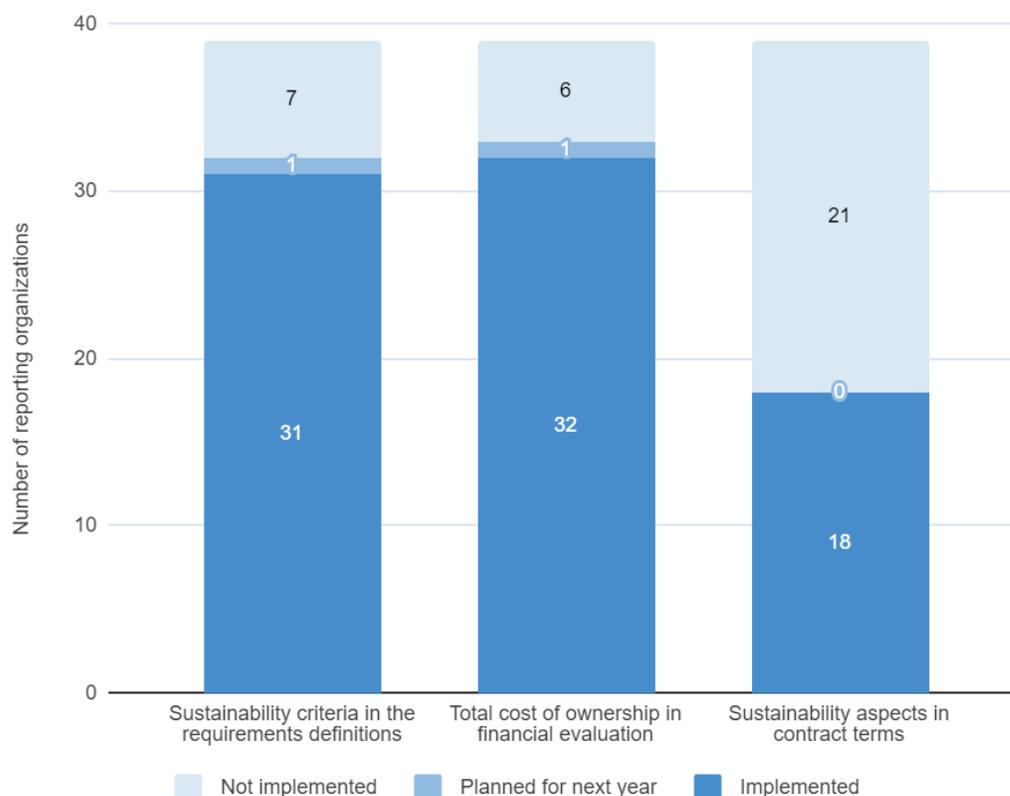
VIII. Sustainable procurement

73. 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”. Sustainable procurement is recognized as an important element of sustainable development, included as target 12.7 under Goal 12 – Sustainable consumption and production.

74. Since 2008, the annual statistical report has included data on the extent to which sustainability considerations are incorporated into the procurement processes of United Nations organizations. For the past two years, all 39 United Nations 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 annual statistical report website.

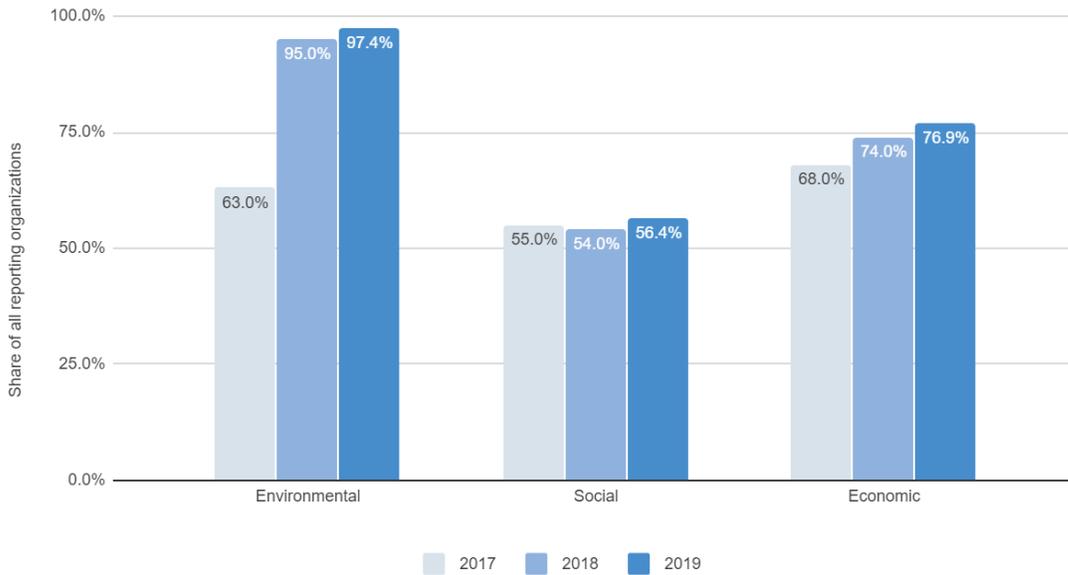
75. Compared to 2018, the trend to formalize sustainable procurement through the development of a sustainable procurement policy, strategy, or measurable targets declined slightly. Of the 39 reporting organizations, 23 noted having implemented (or planning to implement) an official sustainable procurement 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.

Figure 7. Integration of sustainable procurement in the procurement process, 2019



76. 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.

Figure 8. Types of considerations integrated in procurement processes, 2017-2019



77. As in previous years, environmental considerations remained the sustainability aspect most addressed by United Nations 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.

78. 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.

79. 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 United Nations 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.

80. United Nations procurement spend with suppliers participating in the United Nations Global Compact is analysed as part of the annual statistical report. The United Nations 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 United Nations suppliers,

regardless of size or location, are encouraged to align with the 10 principles of the United Nations Global Compact and join the initiative.

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

82. Beyond what is reported in the annual statistical report, United Nations 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, organizations jointly developed a set of indicators with the intention of improving the tracking, measuring and reporting on sustainable procurement implementation in United Nations procurement processes.

IX. Collaborative procurement

83. 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 United Nations 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 United Nations 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 annual statistical report.

84. The report includes information on a set of activities defined as collaborative procurement in line with the 'Harmonizing United Nations procurement: Common United Nations 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 United Nations 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 annual statistical report includes information on activities defined as supply-chain management collaboration.

85. 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 United Nations system.

Figure 9. Collaborative procurement reported by organizations (Top 10 procuring organizations)

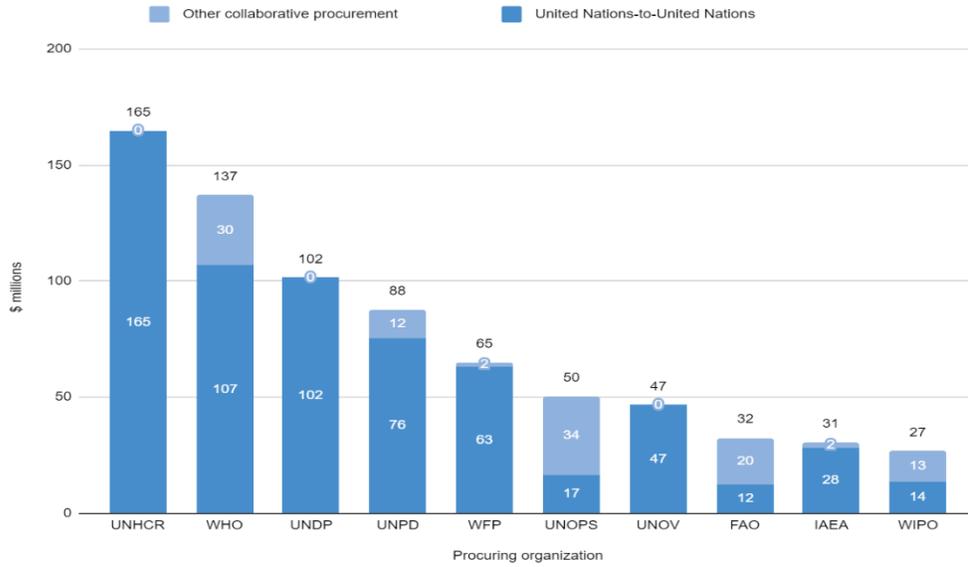
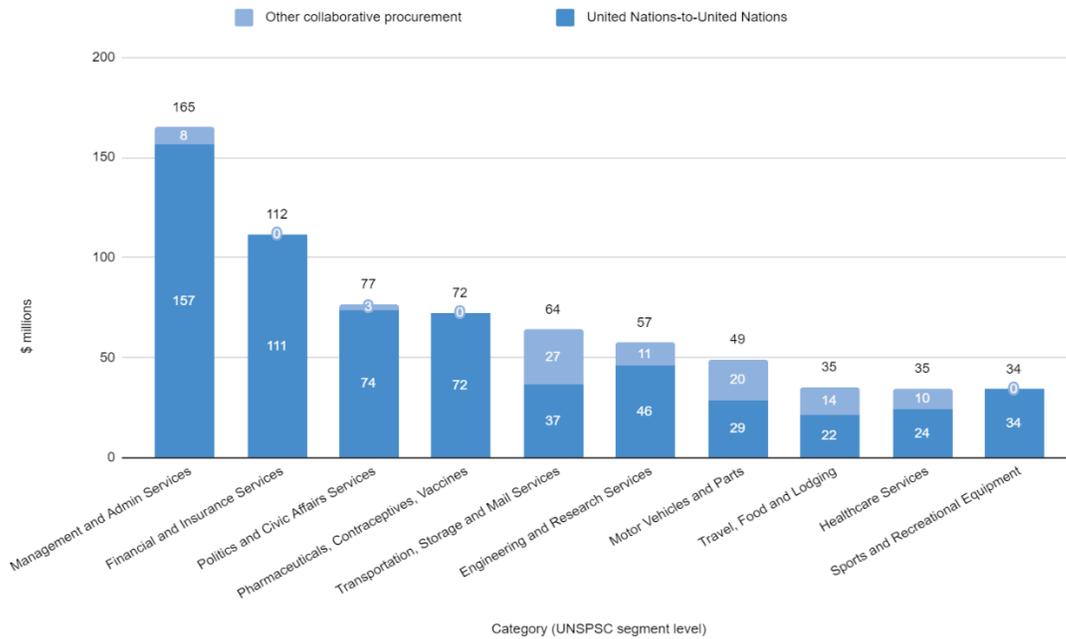


Figure 10. Collaborative procurement reported by organizations (Top 10 UNSPSC segments procured)



A. Collaborative procurement reported by organizations

86. 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 United Nations procurement from other United Nations 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.

87. Suppliers from the United States of America were the most prevalent for reported collaborative procurement (excluding United Nations-to-United Nations 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 United Nations 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, *Information technology and communications equipment*, for \$13 million, and *Travel, food and lodging*, worth \$9 million.

B. Procurement from another United Nations organization

88. Procurement transactions where an organization procured goods and services from another United Nations 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 United Nations organizations utilizing other organizations' specialization and competitive advantage for a particular type of goods or services.

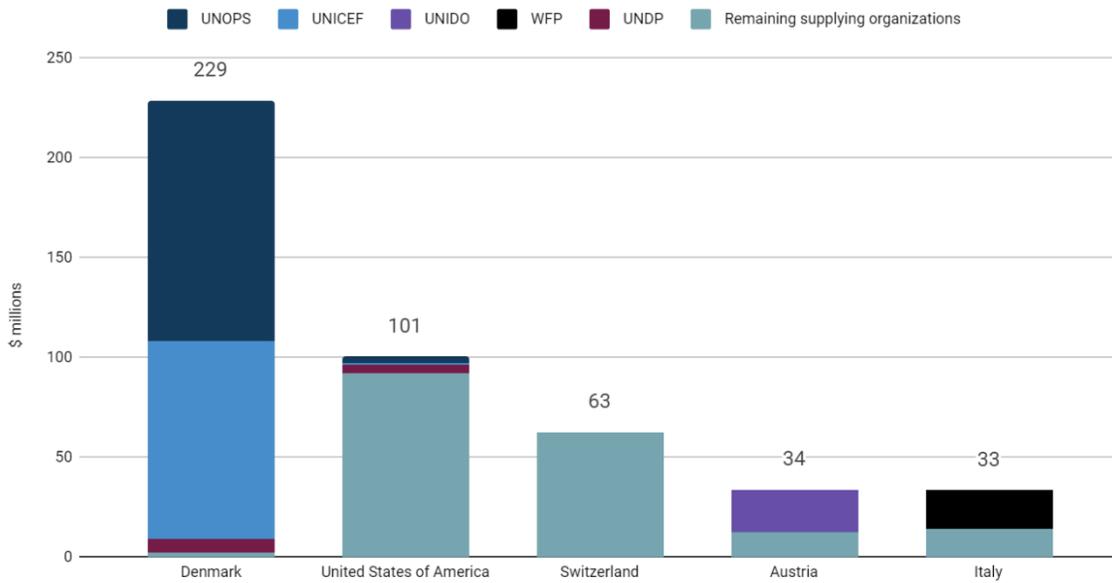
89. UNHCR was the organization with the highest volume procured from other United Nations organizations in 2019, with a total volume of \$165 million, or 22.6 per cent of total United Nations-to-United Nations procurement. WHO had the second-largest volume of United Nations-to-United Nations procurement,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

90. The largest categories procured from United Nations 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).

91. The United Nations organization supplying the most to other United Nations 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, with \$130 million, including \$95 million of *Financial and insurance services*.

92. Denmark was the supplier country with the largest volume of United Nations-to-United Nations procurement, with \$229 million, or 31.3 per cent of total United Nations-to-United Nations 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 United Nations-to-United Nations procurement were the United States of America, with a total of \$101 million, and Switzerland, with \$63 million.

Figure 11. United Nations-to-United Nations procurement 2019 by supplier country and supplying organization



C. Supply-chain management collaboration

93. Supply-chain management collaboration is a new, distinct form of collaboration, defined by the High-level Committee on Management Procurement Network 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 annual statistical report, but are reported separately by organizations that use this type of collaboration extensively and have information on such transactions readily available.

94. 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 per cent of its goods procurement volume was accomplished through supply-chain management collaboration, totalling \$2.0 billion.

Annex. Participants

For 2019, 39 United Nations organizations participated in the annual statistical report. Where this report refers to procurement by the United Nations system or by United Nations organizations, it refers to the procurement activities of these 39 organizations. The participating organizations in this reporting year are:

ECA	Economic Commission for Africa
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	Pan American Health Organization
UN-Women	United Nations Entity for Gender Equality and the Empowerment of Women
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNAKRT	United Nations Assistance to the Khmer Rouge Trials
UNDP	United Nations Development Programme
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
UPU	Universal Postal Union
UNWTO	World Tourism Organization
WFP	World Food Programme
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WMO	World Meteorological Organization