

2020 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.

In the 39th session of the General Assembly in 1984,¹ UN procurement activities were presented for the first time, in a report prepared by the Inter-Agency Procurement Services Office (IAPSO) of the United Nations Development Programme (UNDP). A need for continued reporting on these types of activities was established later that year by the General Assembly.² The report has been compiled on behalf of the UN system by the United Nations Office for Project Services (UNOPS) since 2008.

From being a section in the 'Operational Activities of the UN System' report, the ASR has evolved into comprehensive reporting on procurement by nearly 40 organizations. In 2015, online statistics were introduced in collaboration with the United Nations Global Marketplace (UNGM) to supplement the report, and the online dashboards were further enhanced in 2019.

This 37th edition of the report presents an analysis of key trends in UN procurement and is complemented by the full statistics published online. The ASR includes a breakdown of procurement by UN organization, by sectors of categories of goods and services procured, and by supplier countries. It also contains information

on collaboration within the UN system, and organizations' efforts to integrate sustainability considerations into their procurement processes, in the context of the UN's continued focus on sustainable development.

The COVID-19 pandemic has served to underline the challenges presented by the interdependent world we live in today and UN procurement activities were certainly also affected. A section in this year's report has been dedicated to analyzing this impact. In addition, highlight stories showcasing UN procurement in a variety of projects and settings are featured in the report, and have been provided by UNDP, World Health Organization (WHO), United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) and the Office of the United Nations High Commissioner for Refugees (UNHCR). An example of collaboration in procurement at the country level in Geneva, is also provided this year, by the Common Procurement Activities Group (CPAG).

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

[FOR MORE DETAILED STATISTICS, INTERACTIVE DASHBOARDS AND PREVIOUS REPORTS, VISIT WWW.UNGM.ORG/ASR.](http://WWW.UNGM.ORG/ASR)

1. A/39/417

2. A/RES/39/220

OVERVIEW



TOTAL UNITED NATIONS PROCUREMENT IN 2020

UN organizations reported a total procurement volume of \$22.3 billion in 2020. This was the highest procurement volume recorded to date, with an increase of \$2.4 billion (12.3 per cent) compared to the previous year. The increase was driven mainly by two categories linked to the UN system response to the COVID-19 pandemic: *Medical equipment* and *Laboratory and testing equipment*. Increased procurement in those segments totalled \$1.9 billion, accounting for 79.1 per cent of the total increase, \$1.4 billion of which was attributed to

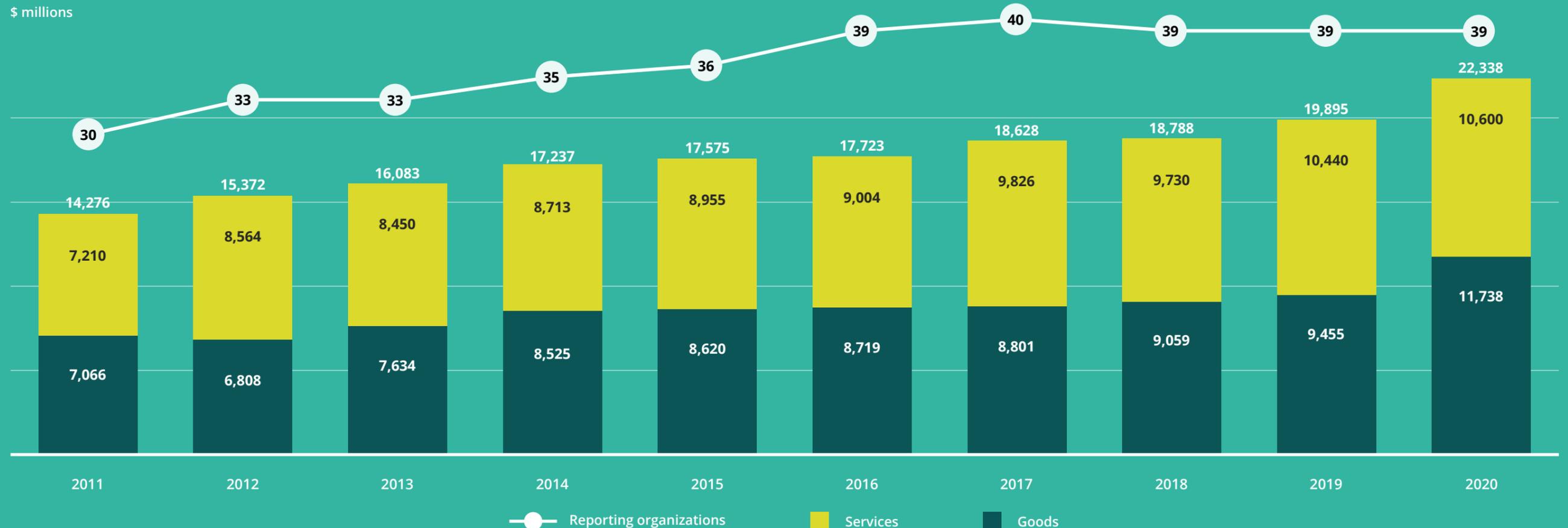
three organizations – United Nations Children’s Fund (UNICEF), WHO and UNDP, in order of volume increase.

Most of the increase in 2020 was related to the procurement of goods, which increased by \$2.3 billion (24.1 per cent), while services had a less pronounced increase of \$160 million (1.5 per cent). Figure 1 illustrates these trends in procurement over the last 10 years.

The same 39 organizations reported in 2020 as in 2019, and have increased their combined procurement

volume by 26.0 per cent (\$4.6 billion) since 2016. Despite the overall growth, most organizations experienced a decrease in volume. Only 16 organizations had increases in volume in 2020 compared to 2019. The three with the largest increases were WHO, UNICEF and UNDP in order of increase, which recorded a combined increase of \$1.9 billion. WHO, which almost doubled its procurement volume, was responsible for one-third of the overall increase.

Figure 1. Total procurement of goods and services, and number of reporting organization, 2011–2020



WHO DOES
PROCUREMENT
WITHIN THE
UNITED NATIONS
SYSTEM?



PROCUREMENT BY ORGANIZATIONS OF THE UNITED NATIONS SYSTEM

A variety of organizations – from specialized agencies, funds and programmes to research and training entities – make up the UN system. Only organizations and units with a clear procurement component are represented in this report. While some have predictable and stable procurement volumes, categories and global footprints linked to their mandate, others are project-based or are more sensitive to global events and therefore have variable volumes, categories and supplier countries.

The procurement volume for each organization (as well as respective shares of procurement from developing countries, countries with economies in transition and least developed countries (LDCs)) is shown in Table 1.

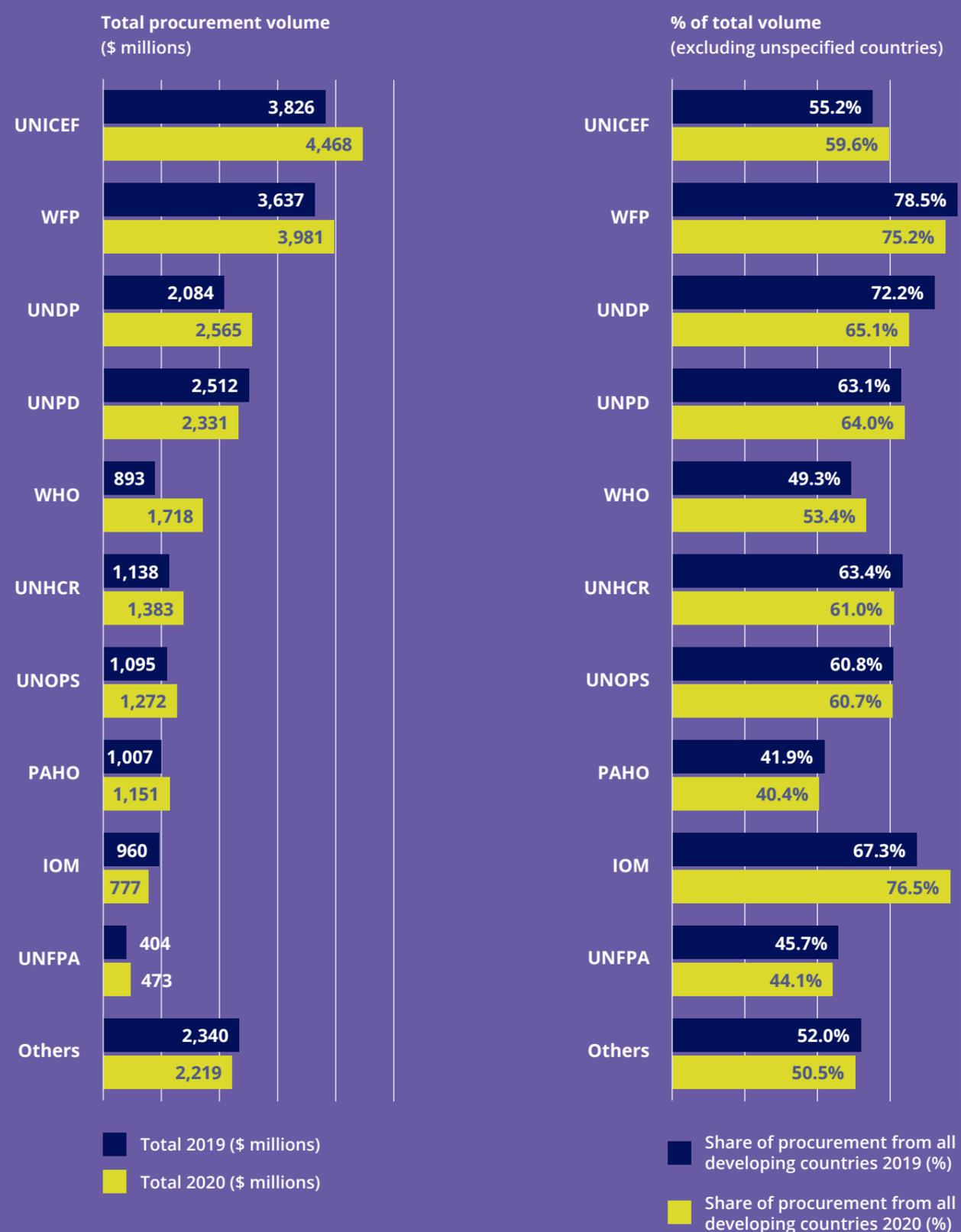
The largest increase in procurement volume was seen by WHO, growing from \$893 million in 2019 to \$1.7 billion in 2020. This was driven largely by procurement related to the COVID-19 response, which made up 43.7 per cent of its total procurement for the year. Although WHO had an increase in 18 segments, the total increase of \$825 million (92.3 per cent) was experienced mainly in three categories: *Medical equipment*, with an increase of \$275 million (245 per cent); *Management and administrative services*, with an increase of \$235 million (306 per cent); and *Laboratory and testing equipment*, with an increase of \$207 million (543 per cent). WHO increased its procurement primarily from suppliers in China (from \$8.9 million to \$250 million), Denmark (from \$75 million to \$170 million) and the United States of America (from \$45 million to \$94 million).

Table 1. Procurement by UN organization, 2020

Organization	Total 2020 (\$ millions)	Total change 2019-2020 (%)	Share of procurement from developing countries, countries with economies in transition and LDCs 2020 (%)
UNICEF	4,468.0	16.8%	59.6%
WFP	3,981.1	9.5%	75.2%
UNDP	2,565.3	23.1%	65.1%
UNPD	2,330.8	-7.2%	64.0%
WHO	1,717.8	92.3%	53.4%
UNHCR	1,383.4	21.5%	61.0%
UNOPS	1,271.5	16.1%	60.7%
PAHO	1,150.5	14.3%	40.4%
IOM	777.3	-19.0%	76.5%
UNFPA	473.3	17.1%	44.1%
FAO	458.2	17.9%	74.0%
UNRWA	225.6	-14.6%	85.1%
ILO	219.8	-16.3%	63.1%
IAEA	191.5	2.5%	8.5%
UNIDO	155.1	2.2%	55.7%
UNOG	141.1	-5.3%	1.0%
UN Women	133.9	-7.8%	62.8%
WIPO	131.1	4.5%	9.3%
UNESCO	119.0	-3.1%	52.2%
UNOV	89.3	-24.6%	72.4%
UNON	61.6	-2.6%	75.5%
IFAD	53.4	0.9%	16.5%
UNAIDS	35.9	13.3%	53.6%
OPCW	24.6	9.8%	2.1%
ITC	20.7	-23.5%	44.5%
IMO	19.4	-9.5%	13.2%
ITU	18.8	-61.1%	4.3%
UNECA	17.3	-27.1%	53.3%
UN-ICTY/MICT	15.7	-20.5%	15.4%
ESCAP	13.2	-38.9%	71.9%
UNFCCC	13.0	-41.8%	2.9%
WMO	12.9	-18.6%	2.5%
UPU	11.6	-14.6%	16.8%
UNU	9.5	-6.6%	13.9%
ECLAC	9.3	-24.1%	70.6%
UNV	9.1	26.6%	3.0%
ESCWA	6.0	-28.0%	73.8%
UNWTO	1.6	-35.6%	0.2%
UNAKRT	0.5	-42.6%	66.6%
UN total	22,337.8	12.3%	61.5%

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

Figure 2. Procurement by UN organization from developing countries, countries with economies in transition and least developed countries, 2019–2020 (top 10 organizations, by total procurement volume)



UNICEF, which remained the largest organization by procurement volume, reported the second-largest increase in 2020: \$642 million, or 16.8 per cent, for a total of \$4.5 billion. The increase can largely be explained by a \$670 million (142 per cent) increase in *Medical equipment*, predominantly from suppliers in China, the Netherlands and the United States of America who were responsible for \$453 million of that increase. The *Transportation, storage and mail services* and *Apparel, luggage and personal care* segments also saw substantial increases, by \$58 million and \$47 million, respectively. This reflected the role of UNICEF in the COVID-19 response. However, its largest procurement category, *Pharmaceuticals, contraceptives and vaccines* (90.8 per cent of which is procurement of vaccines) had a decrease of \$227 million (12.7 per cent) compared to 2019.

The third-largest increase was recorded by UNDP, with \$481 million (23.1 per cent), reaching a total procurement volume of \$2.6 billion in 2020. The category with the highest increase was *Medical equipment*, with \$192 million (430 per cent), mainly in the sub-categories of Medical facility products and Medical apparel and textiles from China and Austria. In that segment, 44.4 per cent of UNDP procurement was COVID-19-related. Another large increase was in *IT and communications equipment*, at \$154 million (227 per cent), driven mainly by procurement of computer equipment from a Danish supplier for a COVID-19 response project in the Dominican Republic.

While 16 organizations increased procurement in 2020, 23 saw a decrease in volume. Nineteen stated that the



Cambodia © UNOPS/ Elise Laker

pandemic was the main factor in the decrease. For some, the largest impact was on travel and conferences. For others, projects were discontinued or put on hold due to restrictions imposed in different locations, particularly in the construction sector. Organizations with a large proportion of procurement related to COVID-19 generally saw an increase in procurement. Organizations recording a decrease were accountable for just 4.0 per cent of the reported COVID-19 procurement.

The largest decrease, in absolute terms, was reported by the International Organization for Migration (IOM), with a reduction of \$182 million (19.0 per cent) in procurement volume, closely followed by the United Nations Procurement Division (UNPD) with a \$181 million (7.2 per cent) decrease. Both organizations had their largest decreases in the travel sector – a result of the COVID-19 pandemic. IOM reported an \$89 million decrease in Passenger transport, while UNPD reported a joint decrease of \$162 million in the sub-categories of Passenger transport and Travel facilitation.

The International Telecommunication Union (ITU) experienced the largest decrease in percentage terms, at 61.1 per cent (\$30 million), due mainly to a change of health insurance provider. This led to a change in procurement modality whereby insurance premiums were no longer included in procurement statistics.

Together, the largest 10 organizations by procurement volume in 2020 accounted for \$20.1 billion (90.1 per cent)

of total procurement volume, compared to \$17.6 billion (88.2 per cent) in 2019. Figure 2 shows the 10 largest organizations by volume, and their proportion of procurement from LDCs, developing countries and countries with economies in transition. Compared to 2019, four of the organizations increased their proportion of procurement from those countries in 2020.

As had been the case since 2016, the organization that procured the most from developing countries, countries with economies in transition and LDCs in 2020 was the World Food Programme (WFP), with a total of \$3.0 billion – followed by UNICEF and UNDP, in that order. The proportion of procurement from those countries decreased for WFP from 78.5 per cent in 2019 to 75.2 per cent in 2020, while the volume in absolute terms increased by \$140 million.

The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) again had the highest proportion of procurement (85.1 per cent, or \$192 million) coming from developing countries, countries with economies in transition and LDCs, although it saw a decrease compared to 2019 both in overall volume and in the share of those countries (87.5 per cent, or \$231 million in 2019).

[VIEW PROCUREMENT PROFILES OF ALL REPORTING ORGANIZATIONS AT WWW.UNGM.ORG/ASR](http://www.ungm.org/asr)



HIGHLIGHT STORY - UNDP

ELECTRIC TRICYCLES TO REDUCE CLIMATE CHANGE IMPACT OF PASSENGER TRANSPORT

UNDP worked with the Ministry of Transport in Cuba and other stakeholders, funded by the Global Environment Facility (GEF) trust fund, to renew a fleet of light transport vehicles for passenger transport.

As part of an integrated project between programmatic and procurement functions, UNDP procured a fleet of 23 electric tricycles with a value of \$150,000. Now in operation, the project covers two routes in Old Havana municipalities with high population density and heritage values, connecting hospitals, bus and rail terminals, schools and other social institutions. A photovoltaic park connected to the electricity grid provides approximately 30 per cent of the energy required to charge the tricycle batteries, and can be extended to cover 100 per cent of the energy needs in future.

In the first months of operation, the tricycles maintained 95 per cent technical effectiveness, traveling an average of 3,000 kilometers per month per tricycle and an average monthly transportation of more than 22,000 passengers.

The project is operated and managed by women who were trained as part of the programme – resulting in new sources of employment and improved livelihoods. The project also contributes to the transfer of technology for national tricycle production and supports the national commitment to take action to mitigate climate change and its impacts.

The UN procured a total of \$2.6 million in goods and services from suppliers in Cuba in 2020.

WHAT DID THE UNITED NATIONS PROCURE IN 2020?



PROCUREMENT BY SECTORS OF GOODS AND SERVICES

Procurement of goods and services by the UN system falls into a range of categories, and although the volume of spend within categories changes from year to year following evolving demands, the key sectors of procurement remain largely the same.

When collecting information from reporting organizations related to the nature of goods and services procured, the ASR uses the United Nations Standard Products and Services Codes (UNSPSC) standard. The hierarchy of product segments, families, classes and commodities is used for categorizing and reporting on procured goods and services both in the report and in the online dashboards.

This is further summarized into sectors, updated to better reflect the key areas of UN procurement. Each sector includes goods and services categories from different UNSPSC segments, the highest level in the UNSPSC code-set. Some of these segments are split into different sectors based on the nature of goods and services. For example a portion of *Medical equipment* related to veterinary products is grouped under **Food and farming** while other *Medical equipment* is reported under **Health**.

[EXPLORE THE SECTORS IN MORE DETAIL ON P.41, OR ABOUT THE ASR ONLINE.](#)

Table 2 shows the 2020 procurement volume and distribution as well as total change from 2019 to 2020 across all sectors, while Figure 3 displays the sectors and segments distribution.

Table 2. Procurement by sectors, 2020

Category (ASR sector level)	Total 2020 (\$ millions)	Total 2019 (\$ millions)	Total change 2019-2020 (\$ millions)	Total change 2019-2020 (%)
Health	5,469.5	4,357.6	1,111.9	25.5%
Construction, Engineering and Science	3,009.8	2,368.6	641.2	27.1%
Food and Farming	2,523.0	2,333.4	189.6	8.1%
Transportation and Storage	2,316.2	1,870.6	445.6	23.8%
Administration and Operations	2,076.5	1,766.2	310.3	17.6%
Media, IT and Communications	1,818.1	1,515.4	302.7	20.0%
Finance, Insurance and Real Estate	1,165.0	1,026.4	138.6	13.5%
Utilities	931.3	961.1	-29.8	-3.1%
Humanitarian Aid, Peace, Security and Safety	813.2	749.0	64.3	8.6%
Travel, Accommodation and Catering Services	776.9	1,445.6	-668.8	-46.3%
Other Goods and Services	717.7	669.3	48.4	7.2%
Motor Vehicles, Industrial Machinery and Heavy Equipment	402.8	435.3	-32.5	-7.5%
Education, Training and Recreation	317.8	396.5	-78.7	-19.8%
UN total	22,337.8	19,895.0	2,442.8	12.3%

Health has been the largest procurement sector of the UN system for some time, and in 2020 the COVID-19 pandemic increased its relevance. It represented almost a quarter of the total procurement, with \$5.5 billion across six different UNSPSC segments. The sector experienced growth of \$1.1 billion, or 25.5 per cent, in procurement volume compared to 2019, particularly in the *Medical equipment* segment (excluding veterinary related products), which was \$1.5 billion higher (triple compared to 2019) and 40.6 per cent of the sector overall. While most of the volume (\$1.3 billion) was reported at the highest level without further details, some of the key sub-categories in the segment were Clinical

nutrition (\$173 million), Medical facility products (\$166 million), and Medical apparel and textiles (\$125 million).

The largest segment in **Health** was *Pharmaceuticals, contraceptives and vaccines* (excluding veterinary related products) with \$3.0 billion in volume and 55.2 per cent of sector total in 2020, where \$2.2 billion (73.0 per cent) was in Immunomodulating drugs (vaccines). Procurement in the segment was down slightly compared to 2019. The **Health** sector included \$152 million worth of *Healthcare services*, \$70 million of hygiene products, \$6.9 million of mosquito nets and \$1.5 million of health programme services.

Five organizations saw increases over \$100 million in **Health** procurement overall: UNICEF, \$443 million (19.7 per cent); UNOPS, \$216 million (157 per cent); WHO, \$106 million (22.8 per cent); UNDP \$104 million (33.1 per cent); and UNHCR, \$102 million (343 per cent). UNICEF, the largest buyer, was responsible for 49.4 per cent of total procurement in the sector.

Construction, engineering and science has been the second-largest sector since 2015, and in 2020 it totalled \$3.0 billion, or 13.5 per cent of total UN procurement. It was also the sector with the highest percentage increase compared to 2019, increasing by 27.1 per cent, or \$641 million. The increase can largely be explained by increases from WHO (\$386 million, or 339 per cent) and the Pan American Health Organization (PAHO) (\$117 million, or 700 per cent). The International Atomic Energy Agency (IAEA), UNICEF and UNOPS also had substantial increases in this sector.

The sector includes items from 12 different segments, including *Laboratory and testing equipment*. Such equipment can be used for a variety of purposes, including health; it experienced the highest increase in the sector, up \$446 million or 235 per cent, to a total of \$636 million in 2020, driven by COVID-19-related procurement. It was the second-largest segment within the sector in 2020. The largest sub-category in the segment was Laboratory and scientific equipment, with 52.1 per cent of segment total; this sub-category had the largest increase (\$229 million, or 224 per cent) over 2019 volume. Measuring and observing and testing instruments increased by \$159 million (281 per cent). Of the total procurement in this segment, \$384 million was reported as related to COVID-19. WHO - the largest buyer, with 38.5 per cent of total procurement - experienced the largest increase, with \$207 million (543 per cent). PAHO and IAEA also had large increases in the segment, up \$93 million and \$43 million, respectively.

Engineering and research services was the segment with the second-highest increase, up \$157 million (34.7 per cent) to \$609 million, due partially to improvements in reporting by WHO.

The largest segment was *Building and maintenance services*, with \$1.3 billion and 42.9 per cent of the sector total in 2020. Key sub-categories within the segment were Non-residential building construction services (\$379 million) and Building and facility maintenance and repair services (\$363 million).

Also included in the sector were goods related to construction, mining and well-drilling, including related materials, machinery and equipment, electrical system components, and environmental services.

The third-largest sector in 2020 was **Food and farming**, with \$2.5 billion, or 11.3 per cent of total procurement volume. *Food and beverage products* was by far the largest segment in the sector, with \$2.2 billion, or 86.2 per cent, of the sector total. Other segments included *Live plant and animal material*, with \$131 million, and *Farming, fishing and forestry services*, with \$77 million. The sector includes services, tools, machinery and equipment related to food processing and farming, as well as veterinary health products and services. The organization procuring the most from the sector was WFP, with a volume of \$1.8 billion (70.2 per cent of sector total).

Transportation and storage - the fourth-largest sector by volume, with \$2.3 billion, or 10.4 per cent - had the third-largest increase, up \$446 million (23.8 per cent) from \$1.9 billion in 2019. The increase was driven mainly by goods-related logistics services within the *Transportation, storage and mail* segment (\$372 million increase), which represented 92.9 per cent of the total sector. The sector includes *Material handling machinery*,

Supply chain management services, Motor vehicles and parts related to transportation and storage, and Storage and handling equipment. WFP - the largest procurer in this sector, with 58.4 per cent of the total - recorded the largest increase, with \$174 million, or 14.8 per cent. UNICEF, UNPD and UNHCR were also key procurers.

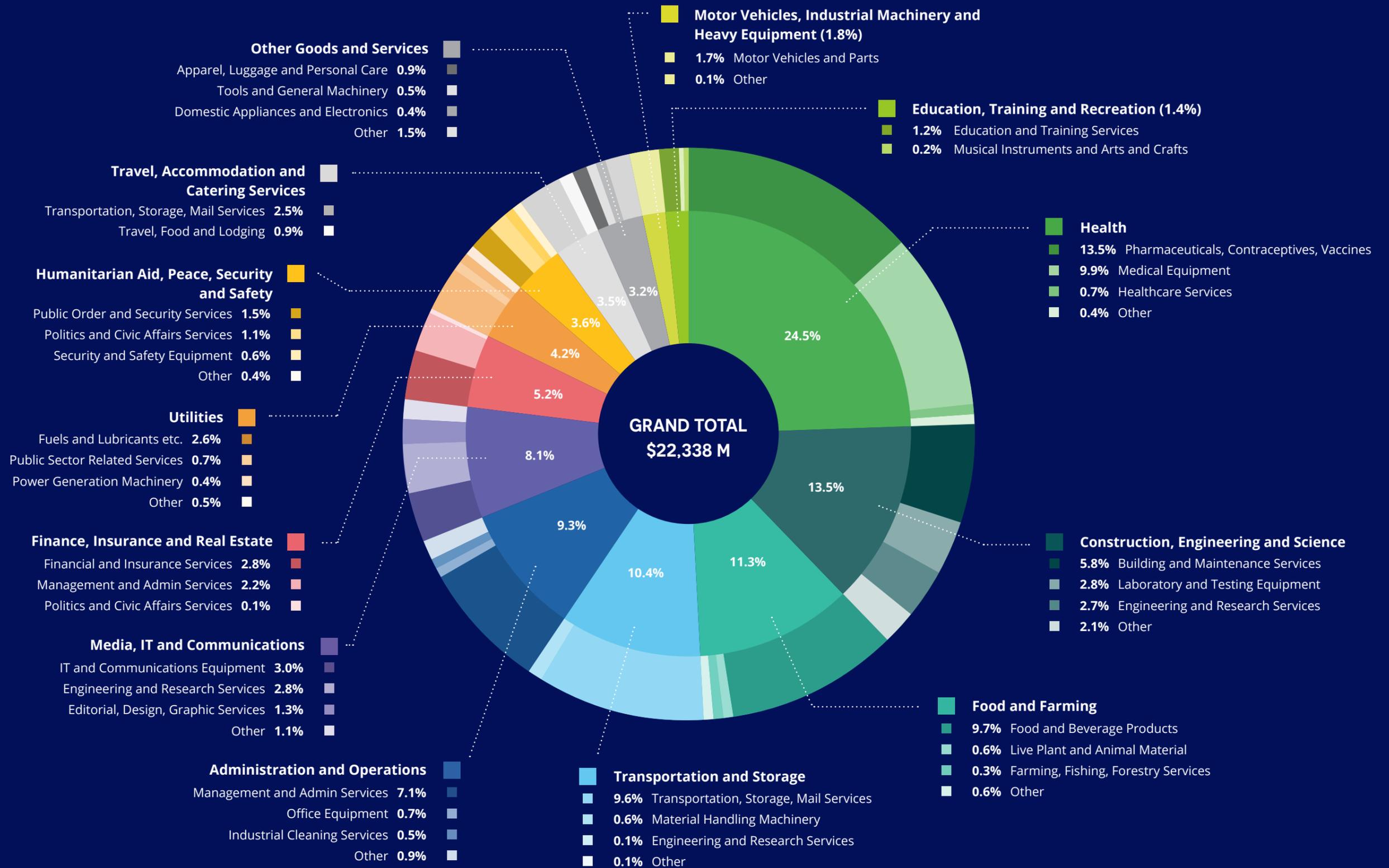
The following three sectors by size, **Administration and operations, Media, IT and communications**, and **Finance, insurance and real estate** also had substantial increases in 2020: \$310 million (17.6 per cent), \$303 million (20.0 per cent) and \$139 million (13.5 per cent), respectively.

There were also some sectors with notable decreases in procurement recorded in 2020.

Travel, accommodation and catering services saw an unprecedented decrease in 2020 resulting from the pandemic and its impact on travel and in-person events globally, with \$669 million, or 46.3 per cent less procurement than in 2019. The organizations with largest decreases were UNPD (down \$176 million, or 30.5 per cent), IOM (down \$88 million, or 39.5 per cent), UNOPS (down \$56 million, or 86.5 per cent) and UNDP (down \$50 million, or 45.7 per cent). UNPD was nevertheless responsible for 51.5 per cent of procurement in this sector, with a total of \$400 million. While most organizations experienced decreases in procurement, four had increases - UNHCR, WHO, IAEA and the Organisation for the Prohibition of Chemical Weapons (OPCW), by volume of increase.

Other sectors with decreases compared to the previous year were **Education, training and recreation** (down 19.8 per cent), **Motor vehicles, industrial machinery and heavy equipment** (down 7.5 per cent) and **Utilities** (down 3.1 per cent).

Figure 3. Breakdown of sectors into UNSPSC segment categories for 2020



PROCUREMENT BY UNSPSC SEGMENT

The analysis by sector includes some instances where UNSPSC segments are split across sectors – as mentioned previously. The following analysis is instead based on the original category structure as defined under UNSPSC focusing at the highest (segment) level within the UNSPSC hierarchy.

The 10 largest categories by procurement volume for 2020 are displayed in Table 3. The composition of the list remains largely unchanged, with the exception of *IT and communications equipment*, which comes back to the list after having fallen to eleventh place in 2019, and *Laboratory and testing equipment* moving into ninth place from twentieth position the year before. The two segments leaving the top 10 list are *Fuels and lubricants* (moving to eleventh place) and *Travel, food and lodging* (moving to twentieth place), both having experienced decreases in procurement in 2020. Eight of the ten segments on the list experienced increases in volume in 2020 compared to 2019, while two of the segments experienced decreases in volume.

The largest segment of procurement, *Pharmaceuticals, contraceptives and vaccines*, totaling \$3.0 billion in 2020, experienced a decrease of \$204 million (6.3 per cent) compared to 2019. It was primarily due to a decrease in the sub-category of Immunomodulating drugs (vaccines) by \$227 million. However, this still remained the largest sub-category making up 73.2 per cent of the segment. Veterinary related products make up \$17 million of the segment. UNICEF is the organization procuring the most from this segment with 51.3 per cent of the UN total. The organizations with the largest decreases in the segment were UNICEF (\$226 million), UNDP (\$93 million) and PAHO (\$50 million). At the same time, WHO and UNOPS had significant increases in the segment with \$94 million (107 per cent) and \$87 million (147 per cent), respectively.

Transportation, storage and mail services was the second-largest segment with a total of \$2.7 billion in 2020. The segment experienced an overall increase of \$63 million, or 2.4 per cent. However, as described earlier, there were divergent impacts on transport for goods versus people. The increases were mainly in the family of Transport services (\$225 million or 100 per cent increase) and other transport-related services such as mail and cargo transport and storage and material packaging. Mail and cargo transport was the largest family within the segment with a total of \$1.2 billion in 2020 and a total share of 45.3 per cent of the segment. The largest buyer was WFP with 49.6 per cent of total, followed by UNPD (17.2 per cent) and UNICEF (8.5 per cent). The main increases were seen by WFP (\$169 million), WHO (\$91 million) and UNICEF

(\$58 million), while the largest decreases were seen by UNPD (\$103 million) and IOM (\$97 million).

Within *Transportation, storage and mail services* there was a large decrease in passenger air transportation (\$309 million or 35.3 per cent). In addition, the segment *Travel, food and lodging* had the largest decrease in volume in terms of any segment compared to 2019. It fell \$360 million, or 63.0 per cent, with the largest decreases seen by UNPD (\$78 million), UNDP (\$39 million) and UNICEF (\$32 million).

**EXPLORE THE CATEGORIES OF PROCUREMENT
IN MORE DETAIL AT WWW.UNGM.ORG/ASR**

Table 3. Top 10 categories of procurement volume, UNSPSC segment level, 2020

Category (UNSPSC segment level)	Total 2020 (\$ millions)	Total change 2019–2020 (%)	Share of procurement from developing countries, countries with economies in transition and LDCs 2020 (%)
Pharmaceuticals, Contraceptives, Vaccines	3,035.5	-6.3%	37.1%
Transportation, Storage, Mail Services	2,717.0	2.4%	68.0%
Medical Equipment	2,226.4	200.7%	62.1%
Food and Beverage Products	2,174.5	5.0%	81.3%
Management and Admin Services	2,090.5	17.3%	63.5%
Engineering and Research Services	1,327.6	22.2%	44.7%
Building and Maintenance Services	1,290.4	-5.8%	73.5%
IT and Communications Equipment	666.4	44.5%	26.3%
Laboratory and Testing Equipment	636.8	235.4%	49.9%
Financial and Insurance Services	635.5	13.9%	54.0%
Top 10 total	16,800.6		
UN total	22,337.8		

HIGHLIGHT STORY - WHO

EMERGENCY HEALTH KITS TO PROVIDE IMMEDIATE AND EFFECTIVE SUPPORT

WHO designs emergency health kits (EHK) to provide an immediate and effective health response with essential medicines and health supplies during humanitarian emergencies. They are tailored to various specific emergency situations, ranging from natural disasters to outbreaks of infectious diseases and armed conflicts, and the health profiles of affected populations.

In 2020, WHO developed two new EHKs for children, containing child-friendly formulations of essential medicines.

The Paediatric kit includes treatments for severe acute malnourished children and contains essential medicines and supplies for paediatric wards and outpatient services. The kits have been delivered to Angola, Cameroun, Chad, the Democratic Republic of the Congo, Ethiopia, South Sudan, Sudan, and Yemen, and have been used to treat 33,650 children suffering from severe acute malnutrition with medical complications.

In addition, the Pneumonia kit 2020 contains essential medicines to treat pneumonia, particularly in children under five years old. During the last quarter of 2020, kits were delivered to the Democratic Republic of the Congo and South Sudan and used to treat 16,000 cases of pneumonia among children.

In recent years, WHO has procured and distributed EHKs valued at around \$35 million per year to more than 30 countries. Long-term agreements with suppliers and pre-positioning EHKs in a WHO-managed warehouse in Dubai is part of a supply strategy which allows EHKs to be procured and delivered across the globe quickly to provide assistance during emergencies.

HOW HAS UNITED NATIONS PROCUREMENT SUPPORTED THE COVID-19 RESPONSE?



COVID-19 PROCUREMENT IN THE UN SYSTEM

The UN's role in the response to COVID-19 led to significant increases in procurement in certain categories. In other areas, however, procurement declined dramatically.

For the 2020 ASR, 38 organizations reported procurement of \$2.1 billion worth of goods and services related to the COVID-19 response, representing 11.5 per cent of the total procurement volume of those organizations. Many organizations delivered emergency supplies, often in a coordinated manner, using mechanisms such as the UN COVID-19 Supply Chain Task Force.

Additionally, UNICEF reported that it delivered \$537 million worth of goods to 145 countries in 2020 in response to the COVID-19 pandemic. However, it was not possible to report these delivery statistics in the same way as the other organizations. UNICEF distinguishes between procurement from suppliers and deliveries to countries. It procures many items – including those that may be used for COVID-19 response – in bulk to its warehouse, and the exact delivery location or use of items may not be known at the time of purchasing. The following analysis focuses on the procurement transactions of the other organizations, with UNICEF procurement statistics (but not delivery statistics) provided for comparison.

Information on UN COVID-19 immunization procurement as part of the COVID-19 Vaccine Global Access (COVAX) Facility will be included in the 2021 ASR. The COVAX effort involves the Coalition for Epidemic Preparedness Innovations, the Gavi Alliance, PAHO, UNICEF and WHO.



COVID-19 PROCUREMENT BY ORGANIZATION

Ten organizations were responsible for 96.9 per cent of the total \$2.1 billion of procurement related to Covid-19, as shown in Table 4.

WHO was the largest COVID-19-related procurer in both volume and percentage terms, with \$750 million, or 43.7 per cent of total procurement for the year. This included \$308 million of *Medical equipment*, representing 79.6 per cent of WHO procurement in this segment, and \$221 million of *Laboratory and testing equipment*.

For UNDP, the largest category of COVID-19 procurement was *IT and communications equipment* (total \$133 million), due in part to the procurement of Computer equipment for a COVID-19 response project in the Dominican Republic, as mentioned earlier. It also procured \$105 million worth of *Medical equipment*, including \$35 million of Medical facility products and \$35 million of Medical apparel and textiles.

UNOPS was the third-largest procurer of goods and services related to the COVID-19 response with \$222 million. It procured \$79 million worth of *Medical equipment* including \$28 million of oxygen therapy related equipment. It also procured \$48 million worth of *Prefabricated buildings and structures* principally in support of the construction of modular hospitals in Argentina.

IAEA was the second-largest procurer after WHO, in terms of percentage of overall procurement. Its procurement related to COVID-19 totalled \$37 million, or 19.6 per cent of total procurement.

It reported \$21 million worth of *Laboratory and testing equipment* related to a project providing COVID-19 testing support and diagnostic equipment to a large number of Member States and territories.

COVID-19-related procurement boosted the procurement volumes of a number of organizations.

While 15 of the 38 organizations reported increased procurement overall compared to 2019, if COVID-19 procurement is removed, only nine organizations' volume increased. This reflects on how UN organizations have adapted their procurement approach as a result of the pandemic, in some cases with funds being reprogrammed from existing projects to the COVID-19 response.

Table 4. COVID-19 procurement, top 10 organizations by volume, 2020

Organization	COVID-19 procurement (\$ millions)	Total 2020 (\$ millions)	COVID-19 share of total (%)	Total 2020 excl. COVID-19 procurement (\$ millions)	Total 2020 excl. COVID-19 procurement compared to 2019 (%)	Total 2020 incl. COVID-19 procurement compared to 2019 (%)
WHO	750.2	1,717.8	43.7%	967.7	8.3%	92.3%
UNDP	496.6	2,565.3	19.4%	2,068.7	-0.7%	23.1%
UNOPS	221.9	1,271.5	17.5%	1,049.6	-4.2%	16.1%
UNHCR	187.4	1,383.4	13.5%	1,196.0	5.1%	21.5%
PAHO	162.4	1,150.5	14.1%	988.1	-1.8%	14.3%
UNFPA	47.6	473.3	10.1%	425.7	5.3%	17.1%
WFP	39.8	3,981.1	1.0%	3,941.3	8.4%	9.5%
IAEA	37.5	191.5	19.6%	154.0	-17.6%	2.5%
IOM	23.2	777.3	3.0%	754.0	-21.4%	-19.0%
UNPD	20.7	2,330.8	0.9%	2,310.1	-8.0%	-7.2%
Top 10 organizations reporting COVID-19	1,987.3	15,842.6	12.5%	13,855.3	-0.4%	13.8%
All other organizations reporting COVID-19	64.0	2,027.2	3.2%	1,963.2	-8.8%	-5.9%
Total organizations reporting COVID-19	2,051.4	17,869.8	11.5%	15,818.5	-1.6%	11.2%
UNICEF		4,468.0				16.8%
Total		22,337.8				12.3%

COVID-19 PROCUREMENT BY CATEGORY

Medical equipment was the largest category for procurement related to Covid-19, with a total of \$655 million by 31 different organizations. This represented 60.4 per cent of the total \$1.1 billion spend in this segment by the 38 organizations reporting COVID-19 procurement. Those organizations spent only \$268 million in the segment in 2019. Detailed category information was available only for 54.3 per cent of spend, but of the data available, 29.3 per cent of the total was spent on Patient exam and monitoring products, 25.8 per cent on Medical apparel and textiles (including items such as surgical masks, gloves and gowns), and 17.1 per cent on Medical facility products (including patient beds and clinical furniture).

UNICEF's total spend in the *Medical equipment* segment was \$1.1 billion in 2020, \$670 million higher than in 2019 and about \$730 million more than its average spend in the category from 2015 to 2019 (\$414 million). A large proportion of this increase is related to Covid-19, with Personal protective equipment amounting to \$470 million worth of procurement, Molecular diagnostics for COVID-19 testing amounting to \$68 million, and oxygen supplies amounting to \$16 million.

Other Personal safety and protection equipment, including respiratory protection and face and head protection, can be classified under the *Security and safety equipment* segment, where there was \$40 million of procurement related to COVID-19.

At \$384 million, *Laboratory and testing equipment* was the second-largest category of COVID-19 procurement, accounting for 62.7 per cent of the total \$612 million spent by the 38 organizations in this segment.

Table 5. Top 10 categories of COVID-19 procurement by volume, UNSPSC segment level, 2020

Category (UNSPSC segment level)	Organizations reporting COVID-19 procurement			UNICEF
	COVID-19 procurement (\$ millions)	Total 2020 (\$ millions)	COVID-19 share of total (%)	Total 2020 (\$ millions)
Medical Equipment	654.8	1,083.6	60.4%	1,142.8
Laboratory and Testing Equipment	383.6	611.6	62.7%	25.2
IT and Communications Equipment	166.8	654.6	25.5%	11.9
Management and Admin Services	127.0	1,775.1	7.2%	315.3
Transportation, Storage, Mail Services	119.3	2,485.6	4.8%	231.4
Engineering and Research Services	78.2	1,172.7	6.7%	154.9
Land, Building and Structures	54.0	214.1	25.2%	0.0
Building and Maintenance Services	50.8	1,065.4	4.8%	225.1
Motor Vehicles and Parts	42.8	357.6	12.0%	32.2
Security and Safety Equipment	40.1	123.1	32.6%	0.0
Top 10 total	1,717.4	9,543.4	18.0%	2,138.8
Total	2,051.4	17,869.8	11.5%	4,468.0

WHO procured \$221 million worth, including \$42 million worth of Rapid test kits. PAHO procured \$95 million in the segment, including \$64 million worth of Clinical and diagnostic analyzer reagents and \$28 million worth of Rapid test kits.

Beyond these two segments, organizations procured across a further 55 categories, and procurement exceeded \$10 million in 21 different segments. This points to the breadth of the UN COVID-19 response and that it is not just limited to the health sector. There was \$167 million in *IT and communications equipment* procurement and \$127 million in *Management and administrative services*.

Within the *Transportation, storage and mail services* segment, procurement in sub-categories related to goods logistics increased by 20.9 per cent, or \$372 million across all organizations, including

\$111 million attributed to the COVID-19 response. This reflects the high value of goods procured and shipped during 2020, as well as pressures on supply chains experienced particularly in the first part of the year.

However, Passenger transport procurement and spend in the *Travel, food and lodging* segment reduced by a combined 46.3 per cent, or \$669 million, across all organizations, reflecting reduced travel of UN personnel during the pandemic.

Other segments of procurement which saw decreases potentially related to the pandemic included *Education, training and recreation* (down by 19.8 per cent, or \$79 million), *Office equipment* (\$47 million, or 22.3 per cent lower), *Furniture* (\$22 million, or 21.2 per cent less) and *Building and maintenance services* (down 5.8 per cent, or \$80 million).

COVID-19 PROCUREMENT BY SUPPLIER COUNTRY

The 38 organizations reported procurement related to COVID-19 from 186 different supplier countries. A number of these countries saw large increases in procurement as part of the response to the pandemic.

China was the country with the largest procurement volume related to COVID-19 at \$308 million, \$215 million of which was for *Medical equipment*. This was followed by Denmark, which recorded \$199 million of COVID-19-related procurement, including \$130 million worth of *IT and communications equipment*. Austria was the third-largest supply country with \$110 million, mostly for *Medical equipment* (\$66 million) and *Laboratory and testing equipment* (\$27 million), while suppliers in the United States of America were responsible for \$83 million worth of goods and services for the COVID-19 response.

The large amount of procurement from China helped push the total for procurement related to COVID-19 from developing countries to \$1.0 billion, or 48.8 per cent of the total. This compares to 39.6 per cent of procurement coming from these countries for all UN procurement. Four developing countries placed within the top 10 supplier countries for procurement related to COVID-19. However, the share of procurement from least developed countries at 9.0 per cent (\$185 million) is much lower for the COVID-19 response than for UN procurement overall (18.3 per cent).

Table 6. COVID-19 procurement, top 10 supplier countries by volume, 2020

Supplier country	Organizations reporting COVID-19 procurement			UNICEF
	COVID-19 procurement (\$ millions)	Total 2020 (\$ millions)	COVID-19 share of total (%)	Total 2020 (\$ millions)
China	308.5	542.1	56.9%	474.1
Denmark	199.2	879.6	22.6%	209.1
Austria	110.1	276.1	39.9%	8.8
United States of America	82.7	1,442.9	5.7%	486.5
Brazil	82.3	154.0	53.4%	11.5
Germany	81.5	314.8	25.9%	77.6
Lebanon	63.5	324.8	19.5%	73.0
Switzerland	55.3	694.0	8.0%	47.1
Netherlands	48.8	458.8	10.6%	121.7
Argentina	46.4	89.4	51.9%	8.1
Top 10 total	1,078.3	5,176.6	20.8%	1,517.4
Total	2,051.4	17,869.8	11.5%	4,468.0

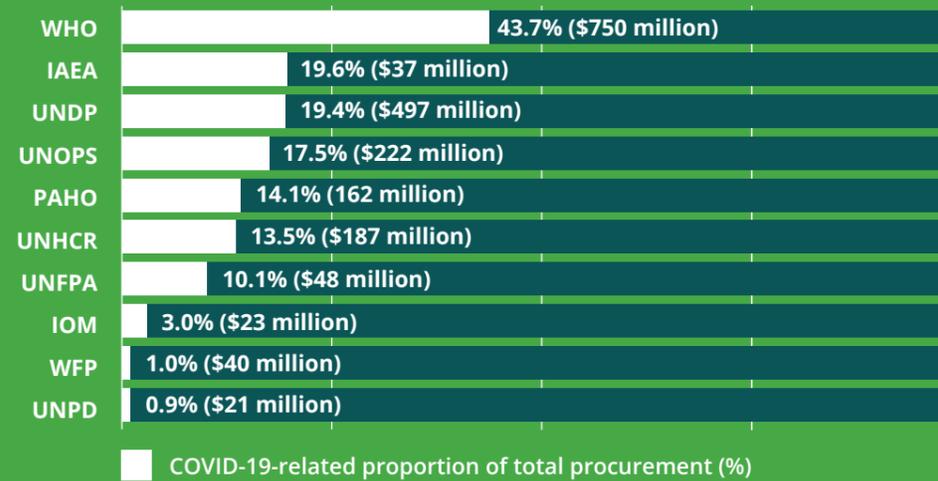
UN COVID-19 PROCUREMENT IN 2020

\$2.6 billion COVID-19 PROCUREMENT AND DELIVERIES

\$2.1 billion COVID-19 PROCUREMENT BY 38 ORGANIZATIONS

\$537 million GOODS DELIVERED BY UNICEF IN RESPONSE TO COVID-19*

TOP ORGANIZATIONS BY COVID-19 PROCUREMENT, 2020



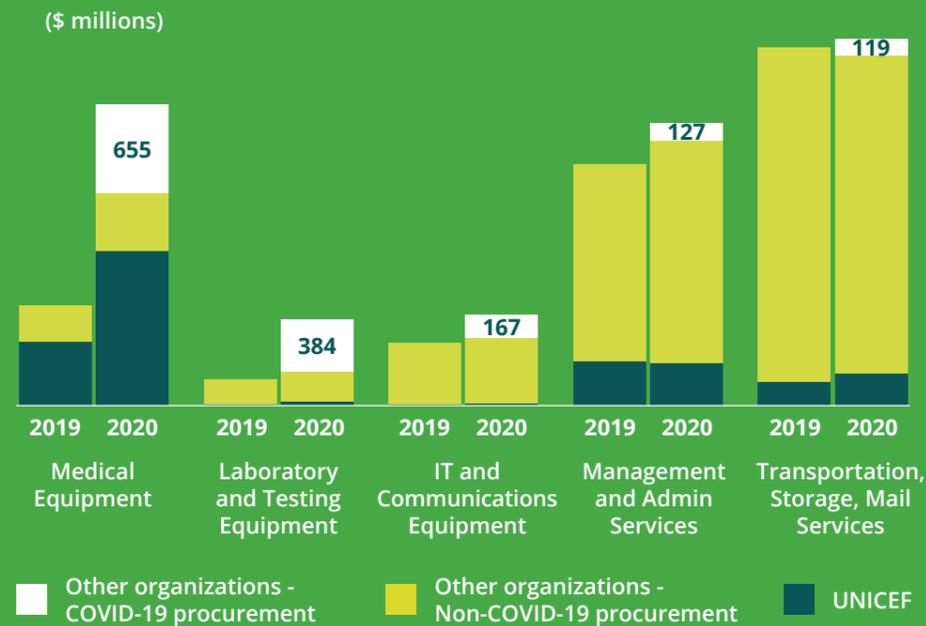
10 ORGANIZATIONS RESPONSIBLE FOR 97% OF COVID-19-RELATED PROCUREMENT

43.7% PROPORTION OF TOTAL WHO PROCUREMENT RELATED TO COVID-19

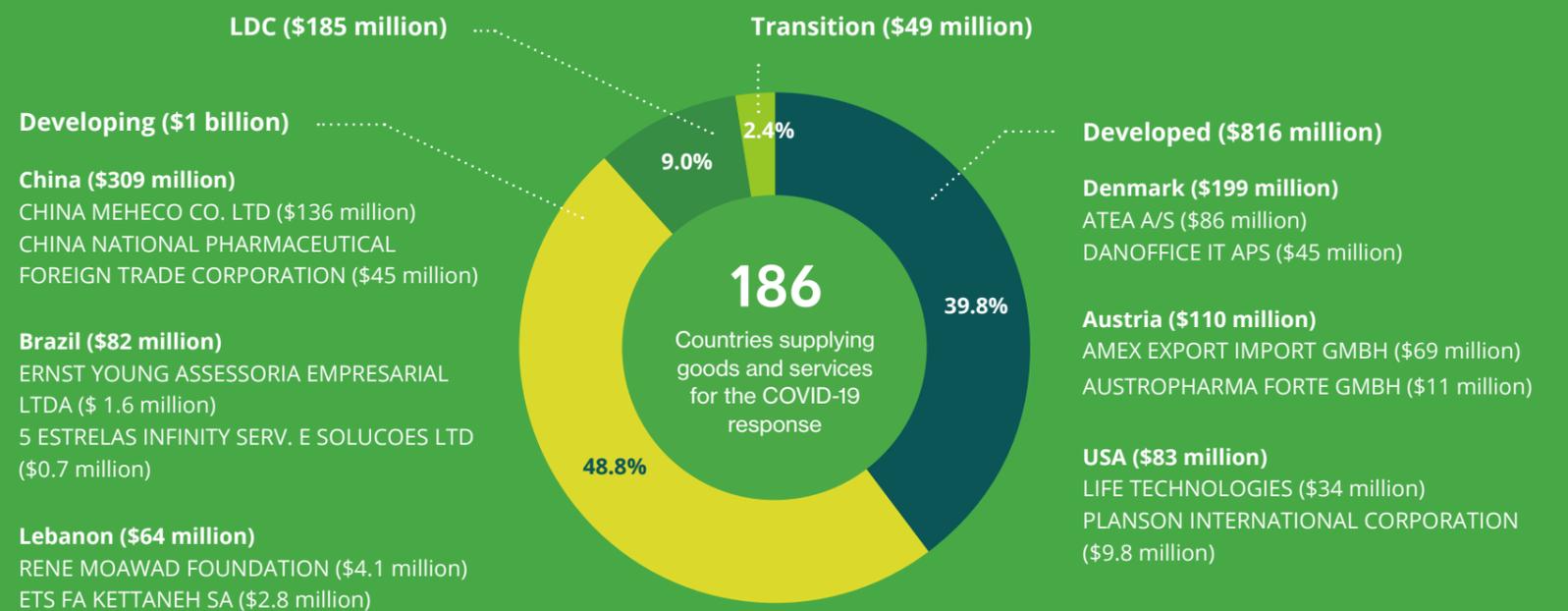
19.6% PROPORTION OF TOTAL IAEA PROCUREMENT RELATED TO COVID-19

19.4% PROPORTION OF TOTAL UNDP PROCUREMENT RELATED TO COVID-19

TOP 5 COVID-19 PROCUREMENT CATEGORIES: 2019-2020 COMPARISON



COVID-19 PROCUREMENT VOLUME BY SUPPLIER COUNTRY ECONOMY TYPE, 2020



COVID-19 PROCUREMENT, TOP TEN CATEGORIES BY VOLUME (UNSPSC SEGMENT LEVEL), 2020



*UNICEF COVID-19 deliveries are not included in other procurement statistics on this page.



HIGHLIGHT STORY - UN WOMEN

VULNERABLE WOMEN RECEIVE FOOD AND HYGIENE PACKAGES IN RESPONSE TO COVID-19

Over 4,000 women in the Republic of Moldova have benefited from food and hygiene packages thanks to the support offered by UN Women Moldova, with funding from the UN COVID-19 Response and Recovery Multi-Partner Trust Fund.

The project addressed the immediate needs of vulnerable women during the COVID-19 pandemic and strengthened national and subnational efforts to sustain these interventions.

UN Women procured over \$120,000 worth of high-demand goods for the packages during the first months of the pandemic. To overcome disrupted supply chains and unstable market conditions, UN Women identified new sources of supply, streamlined the establishment of contracts and coordinated distribution activities.

Supplies were distributed among others to women affected by domestic violence, women living in shelters, HIV positive women and women living with disabilities. In total, over 40 tons of products were delivered to beneficiaries across the country in 2020, including to 70 multidisciplinary teams providing social services to people from vulnerable groups.

WHO SUPPLIED THE UNITED NATIONS IN 2020?



PROCUREMENT BY REGION OF SUPPLIER

Suppliers from 215 countries and territories across all regions of the world provided goods and services to UN organizations in 2020. All regions had a rise in procurement volume from 2019 to 2020, although at slightly different rates of increase. Latin America and the Caribbean and Europe saw the largest increases, enlarging their share of total procurement, while the remaining regions grew at a slower rate. Figure 4

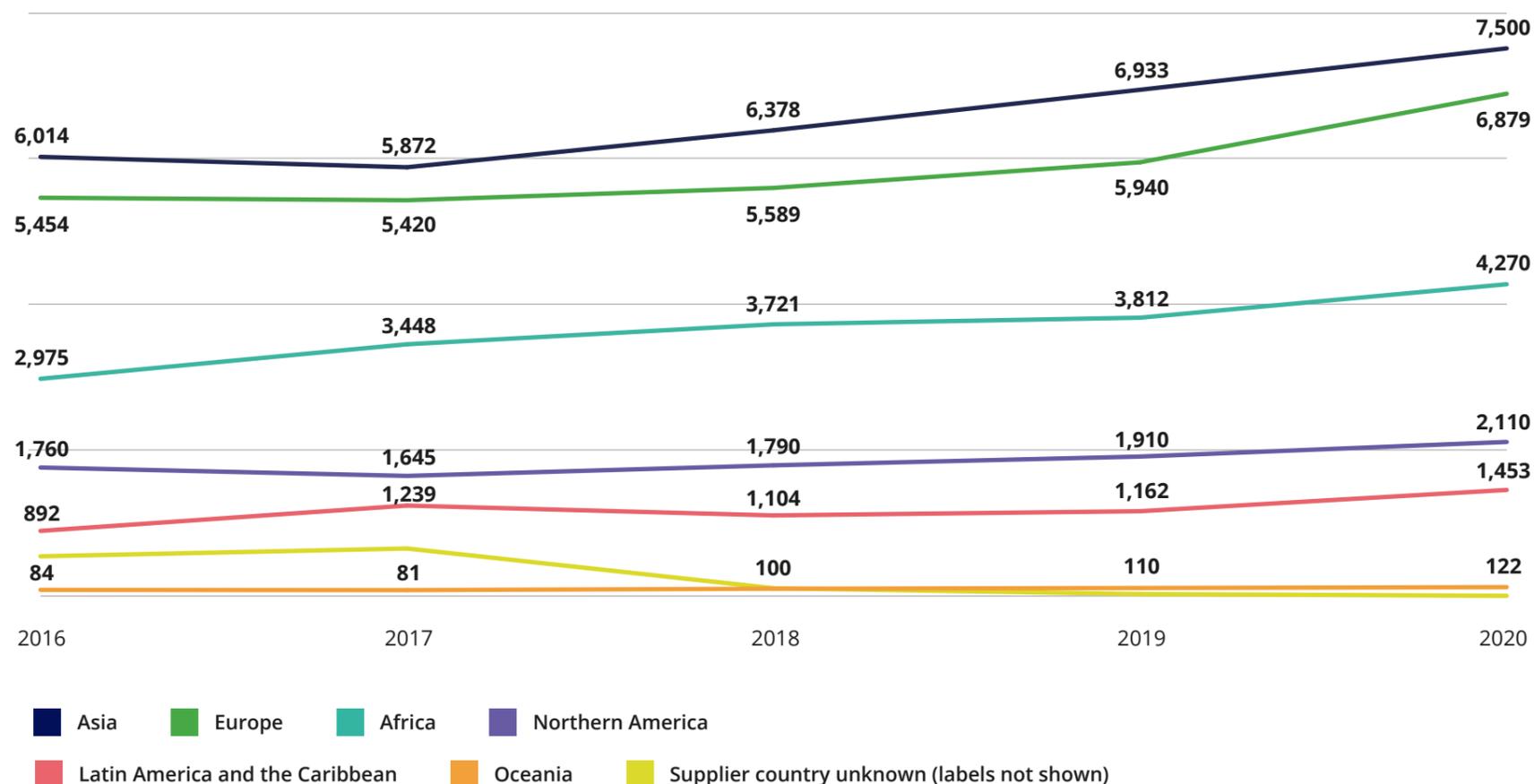
shows procurement by region over the period 2016–2020.

Asia continued to be the largest region by procurement volume in 2020, with 33.6 per cent of the UN total, despite having the lowest percentage increase of all regions, with \$567 million, or 8.2 per cent, over 2019 spend. Increases in China (\$770 million), Pakistan

(\$65 million), and Singapore (\$60 million) contributed to the increase in the region, while Yemen and India had substantial decreases (\$194 million and \$165 million, respectively) compared to the previous year. WHO and UNICEF were the organizations with the largest increases in procurement from the Asia region, with \$441 million and \$422 million, respectively; \$688 million of that was on *Medical equipment*.

Figure 4. Total procurement by region, 2016–2020

(\$ millions)



The largest absolute increase in spend was recorded by Europe - the second-largest region - with 30.8 per cent of UN total in 2020, an increase of \$939 million and 15.8 per cent over 2019. Denmark was the largest contributor to the increase (up \$458 million), with large volumes procured by UNDP (\$172 million), WHO (\$96 million) and UNICEF (\$87 million). Germany (up \$104 million) and Austria (up \$96 million) also contributed to the increase, while Greece had the largest decrease in the region (\$45 million).

The Africa region had an increase of \$458 million, or 12.0 per cent, in 2020, with a total share of 19.1 per cent of UN procurement. The largest increases, from suppliers in Zimbabwe, Sudan and Niger (\$61 million, \$53 million and \$41 million, respectively), were offset by decreases from suppliers in Rwanda and the Congo (down \$23 million and \$19 million, respectively). WFP had the largest increase from the region of \$179 million, mainly from suppliers in Sudan (\$71 million) and Ethiopia (\$55 million). UNICEF and UNDP contributed to the increase, while UNPD and UNOPS had the largest decreases from the region.



Afghanistan © WHO/Rada Akbar

In Northern America, procurement from suppliers rose by \$200 million, or 10.5 per cent, while decreasing their share of total UN procurement from 9.6 per cent in 2019 to 9.4 per cent in 2020. The increase in volume was driven largely by increases in procurement by PAHO (\$131 million) from suppliers in the United States of America. The United States of America had a total increase of \$190 million while Canadian suppliers had a decrease of \$1.3 million. Other organizations contributing to the increase were WHO (\$70 million) and UNDP (\$51 million). UNPD and UNICEF had decreases of \$87 million and \$58 million, respectively.

The largest increase in percentage terms was seen by the Latin America and Caribbean region, with a 25.0 per cent (\$291 million) increase over its 2019 volume. Its share of procurement went from 5.8 per cent of the UN total in 2019 to 6.5 per cent in 2020. Suppliers in Guatemala had the largest increase – \$141 million, driven by increases from WFP (\$78 million) and UNOPS (\$62 million). Brazil and Mexico also had increases in volume (\$61 million and \$53 million), while Peru had a decrease of \$125 million, its large increase in 2019 having been due to UNOPS assistance with the Pan American and Parapan American Games.

Oceania, the smallest region by procurement volume, had an increase of \$13 million (11.6 per cent) in 2020 compared to 2019. Australian suppliers had the largest increase of \$5.6 million followed by suppliers in Palau with a \$5.1 million increase. WHO was a large contributor to the growth in the region with a \$7.3 million increase, while UNOPS procured \$6.4 million more in the region than in 2019.

MAJOR COUNTRIES OF SUPPLY

The suppliers of UN procurement represent all 193 UN Member States, and for 135 Member States, the procurement volume of suppliers exceeded \$10 million in 2020.

In Table 7, procurement volumes for the 10 countries with the highest procurement levels in 2020 are shown. Together, those countries provided \$9.2 billion in procurement, or 41.4 per cent of the UN total. In 2019 the concentration of spend within the top 10 supplier countries was 42.4 per cent. The countries represented in the top 10 table are the same as in 2019, with the exception of China, which moved from twentieth place in 2019 to third in 2020. The order of countries has changed significantly.

The United States of America remained the largest supplier country to the UN, with an overall volume of \$1.9 billion and an 8.6 per cent share of total UN procurement in 2020. This represents an increase of 10.9 per cent over the previous year, driven mainly by an increase in procurement by WHO (\$49 million), which almost doubled its volume from the country. A large part of that increase was *Laboratory and scientific equipment*, increasing by \$25 million. PAHO contributed to the increase with \$132 million, of which \$73 million was spent on vaccines. Meanwhile, the largest segment procured from American suppliers, *Pharmaceuticals, contraceptives and vaccines*, had a decrease in volume of \$38 million, or 6.3 per cent, in large part because UNICEF spent \$112 million less on vaccines compared to the previous year.

The second-largest supplier country in 2020 was Denmark, totalling \$1.1 billion in procurement (and moving up from eighth position in 2019), with an increase of \$458 million, or 72.6 per cent. Of that, \$331 million was UN-facilitated procurement, where goods and services were provided by another UN organization. This type of procurement contributed \$102 million to the increase, of which \$59 million represented vaccines procured by WHO from UNICEF. The main driver of increase for Denmark was *IT and communications equipment*, up by \$146 million, of which \$124 million was procured by UNDP. *Transportation, storage and mail services* and *Pharmaceuticals, contraceptives and vaccines* contributed \$112 million and \$74 million, respectively, to the increase.

The supplier country with the largest increase in procurement was China, more than quadrupling from \$246 million in 2019 to \$1.0 billion in 2020. China was the largest supplier of *Medical equipment*, supplying a total of \$672 million within the segment in 2020 (an increase of \$622 million compared to previous year). The organization with the largest increase from the country was UNICEF (up \$371 million), followed by WHO (up \$241 million) and UNDP (up \$75 million). UNDP had a decrease of \$5 million from Chinese suppliers, mainly in the category of *Cleaning equipment*. Other key categories procured from China were *Transportation, storage and mail services*, with a total of \$67 million, and *Laboratory and testing equipment*, totalling \$62 million.

Table 7. Top 10 supplier countries by procurement volume, 2020

Supplier country	Goods 2020 (\$ millions)	Services 2020 (\$ millions)	Total 2020 (\$ millions)	Share of UN total 2020 (%)	Total change 2019-2020 (%)
United States of America	916.1	1,013.3	1,929.4	8.6%	10.9%
Denmark	555.8	532.9	1,088.7	4.9%	72.6%
China	880.3	135.9	1,016.2	4.5%	312.5%
India	755.9	191.1	947.0	4.2%	-14.8%
United Arab Emirates	597.1	193.4	790.5	3.5%	-5.9%
France	563.7	184.7	748.4	3.4%	9.2%
Switzerland	165.8	575.2	741.0	3.3%	2.3%
Belgium	625.1	80.3	705.4	3.2%	-0.5%
Yemen	151.9	526.4	678.3	3.0%	-22.2%
Kenya	252.3	344.8	597.1	2.7%	2.6%
Top 10 total	5,463.9	3,778.2	9,242.1	41.4%	13.5%
UN total	11,738.1	10,599.7	22,337.8		12.3%

MAJOR COUNTRIES OF SUPPLY

LARGEST SUPPLIER COUNTRY

**UNITED STATES
OF AMERICA** \$1.9 BILLION

FOUR DEVELOPING COUNTRIES AND ONE LDC IN THE TOP 10

CHINA \$1.0 BILLION

INDIA \$947 MILLION

**UNITED ARAB
EMIRATES** \$791 MILLION

KENYA \$597 MILLION

YEMEN \$678 MILLION

India went from the second-largest supplier of the UN system in 2019 to fourth-largest in 2020 – after a decrease of \$165 million, or 14.8 per cent. This was primarily due to a major decrease in *Pharmaceuticals, contraceptives and vaccines* (\$209 million, or 25.2 per cent), bringing its volume down to \$620 million in 2020. It remained the largest segment for India, which remained the largest supplier country for the segment. The organizations responsible for the decrease were UNICEF (\$102 million decrease), PAHO (\$56 million decrease) and UNDP (\$46 million decrease). WFP had an increase in procurement of *Food and beverage products* from India (\$20 million), resulting in an \$18 million increase for the country in that segment. Indian suppliers also saw a \$23 million increase of supplies in *Management and administrative services*.

In fifth position among the top 10 supplier countries, the United Arab Emirates had a total of \$791 million in procurement for 2020, a decrease of \$50 million (or 5.9 per cent) compared to 2019. The United Arab Emirates remained the largest supplier country for *Fuel and lubricants* (\$253 million) and the second-largest country for *Food and beverage products* (\$218 million), the two largest segments procured from the country. However, both segments experienced decreases in volume compared to the previous year (by \$12 million and \$17 million, respectively). The organization with the largest decrease was UNPD (\$31 million, of which \$23 million was in *Building and maintenance services*). Meanwhile, the *Transportation, storage and mail services* segment experienced an increase of \$23 million - the highest level of supplies in eight years.

Yemen was the only LDC in the top 10, where it has appeared since 2018. However, in 2020 procurement from Yemeni suppliers dropped by \$194 million (or 22.2 per cent) compared to 2019, when the country reached a peak in supplies. The decrease in procurement was principally in *Food and beverage products* by WFP (\$95 million less than in 2019) and *Transportation, storage and mail services* (\$41 million less). UNOPS decreased its procurement from Yemen, with \$58 million less than in 2019. Of that, \$33 million was in *Building and maintenance services*. The decreases were offset somewhat by increases from WHO (\$25 million), mainly in *Medical equipment*.

Despite a \$15 million increase (2.6 per cent) in procurement from Kenya, the country fell from ninth to tenth among the top 10 supplier countries. The Food and Agriculture Organization of the United Nations (FAO) had the largest increase from the country, with \$22 million, mostly in *Farming and fishing and Live plant and animal material*. UNPD had a \$17 million increase in *Food and beverage products* but this was offset by a \$27 million decrease from WFP.

China, India, the United Arab Emirates, Yemen and Kenya together had a procurement volume of \$4.0 billion in 2020. This was the largest combined volume for developing countries among the top 10 suppliers to date, representing 18.0 per cent of total UN procurement in 2020.

France had an increase in supplies to the UN of \$63 million (9.2 per cent) in 2020, compared to 2019, moving the country into a sixth position among the top 10 supplier countries, passing both Switzerland and Belgium in procurement volume. The main driver was procurement of *Laboratory and testing equipment* with a \$38 million increase.

Switzerland had a modest increase of \$17 million, or 2.3 per cent, mainly in the segment of *Engineering and research services*, while Belgium experienced a decrease in volume of \$3.8 million, or 0.5 per cent, compared to 2019.

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

In line with the 2030 Agenda for Sustainable Development, the UN organizations seek to increase procurement from LDCs, developing countries and countries with economies in transition. Efforts started in 2003, following a request from the General Assembly to increase opportunities for suppliers from these countries.³ Since then the organizations have placed increasingly more orders with suppliers from all developing countries, reaching a record volume of \$13.7 billion in 2020 – an increase of \$1.4 billion from \$12.3 billion in 2019.

Although all groups increased their procurement volume in 2020, the share of UN procurement from these countries decreased by 0.6 per cent. LDCs had a procurement of \$4.1 billion in 2020, and their share of the UN total decreased by 1.2 per cent to 18.3 per cent of total procurement. Developing countries increased their share by 0.8 per cent, to a total share of 39.6 per cent of UN procurement and an \$8.8 billion volume in 2020. Economies in transition had \$801 million in procurement, decreasing their share from 3.8 per cent in 2019 to 3.6 per cent in 2020. Figure 5 shows the change in procurement from these countries over time.

For LDCs, the \$216 million (5.6 per cent) increase in 2020 was due mainly to increases in Sudan (up \$53 million), Niger (up \$41 million), Chad (up

\$32 million) and Ethiopia (up \$31 million). As previously mentioned, Yemen experienced a \$194 million decrease; Rwanda had a decrease of \$23 million. As in 2019, WFP was the organization with the largest volume procured from LDCs, totalling \$1.3 billion in 2020 (a \$27 million increase). The largest increase was seen by UNICEF (\$112 million), followed by WHO (\$59 million) and UNHCR (\$58 million). The largest decrease was \$72 million by UNOPS, \$58 million of which was related to the decrease from suppliers in Yemen.

The procurement volume from suppliers in developing countries had the largest increase of all economic country groupings, with \$1.1 billion in absolute terms (14.7 per cent). China was the main driver of that increase, with \$770 million, while Guatemala (\$141 million) and Pakistan (\$65 million) also were strong contributors. Among the organizations, UNICEF – the largest procurer from developing countries – also had the largest increase (\$424 million), leading to a \$1.8 billion total from those countries in 2020. WHO had a substantial increase (\$397 million) from this country group, followed by UNOPS (\$161 million) and WFP (\$107 million). IOM was the organization with the largest decrease from developing countries, with \$76 million, \$62 million of which was a decrease from suppliers in Peru.

Figure 5. Procurement from developing countries, countries with economies in transition and least developed countries, 2016–2020

(\$ millions)

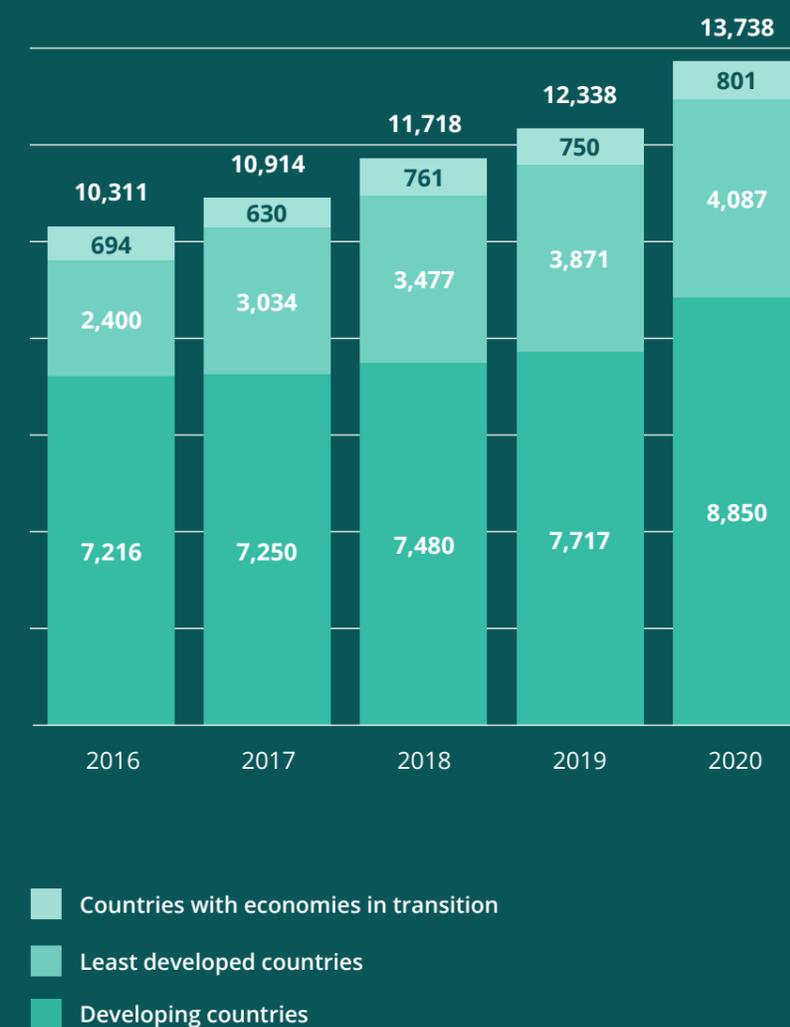


Table 8. Top 20 countries by procurement volume – developing countries, countries with economies in transition and least developed countries, 2020

Supplier country	Goods 2020 (\$ millions)	Services 2020 (\$ millions)	Total 2020 (\$ millions)	Share of UN total 2020 (%)	Total change 2019–2020 (%)
China	880.3	135.9	1,016.2	4.5%	312.5%
India	755.9	191.1	947.0	4.2%	-14.8%
United Arab Emirates	597.1	193.4	790.5	3.5%	-5.9%
Yemen	151.9	526.4	678.3	3.0%	-22.2%
Kenya	252.3	344.8	597.1	2.7%	2.6%
Turkey	356.5	151.1	507.5	2.3%	-0.8%
Lebanon	155.3	242.4	397.8	1.8%	13.9%
Ethiopia	78.3	235.6	313.8	1.4%	11.0%
Pakistan	135.6	162.6	298.2	1.3%	27.8%
Sudan	118.1	167.4	285.5	1.3%	22.8%
Russian Federation	75.7	196.1	271.9	1.2%	-6.6%
Afghanistan	96.3	166.9	263.1	1.2%	10.1%
Syrian Arab Republic	114.8	129.7	244.5	1.1%	6.0%
Jordan	87.9	154.9	242.8	1.1%	-4.0%
Republic of Korea	207.8	31.2	239.0	1.1%	6.2%
South Africa	115.1	121.5	236.6	1.1%	-1.0%
Democratic Republic of the Congo	66.7	163.1	229.8	1.0%	-2.2%
South Sudan	71.0	158.3	229.3	1.0%	4.0%
Bangladesh	110.6	116.0	226.6	1.0%	10.5%
Iraq	50.6	169.1	219.7	1.0%	-19.5%
Top 20 total	4,477.7	3,757.6	8,235.3	36.9%	7.3%
Developing countries, countries with economies in transition, LDCs total	6,983.0	6,755.2	13,738.2	61.5%	11.4%
UN total	11,738.1	10,599.7	22,337.8		12.3%

Suppliers from economies in transition experienced an increase of \$52 million, 6.9 per cent over 2019 procurement volume. The countries with the largest increases were Bosnia and Herzegovina (\$29 million), Albania (\$25 million) and Serbia (\$15 million). Russia had the largest decrease in volume (\$19 million less than in 2019).

The top 20 countries of supply from LDCs, developing countries and countries with economies in transition are shown in Table 8. Together they accounted for 59.9 per cent of the total from these countries and 36.9 per cent of the UN total – a decrease in concentration of spend compared to 2019, when the shares were 62.2 per cent and 38.6 per cent, respectively.

Among the countries in the list, 11 countries had increases in procurement compared to the previous year, while 9 countries had decreases in volume. The largest increase was seen by China, as already mentioned, increasing the country's share of procurement from 1.2 per cent in 2019 to 4.5 per cent in 2020 and moving to the top of the list. Other key movers on the list are Pakistan, going from fifteenth to ninth, with an increase of \$65 million over 2019 volume, and Sudan going from sixteenth to tenth, with an increase of \$53 million.

India moved down to second on the list, with a decrease of \$165 million mainly from UNICEF. Yemen also drops two positions from second to fourth, with a decrease of \$194 million. While Iraq has a lower absolute decrease of \$53 million, the drop in position is the largest, going from ninth in 2019 to twentieth in 2020.

Bangladesh joins the list, going from twenty-first largest to nineteenth with an increase of \$21 million, or 10.5 per cent, while Ukraine leaves the top 20, moving from nineteenth to twenty-second with a decrease of \$6.2 million, or 3.0 per cent.

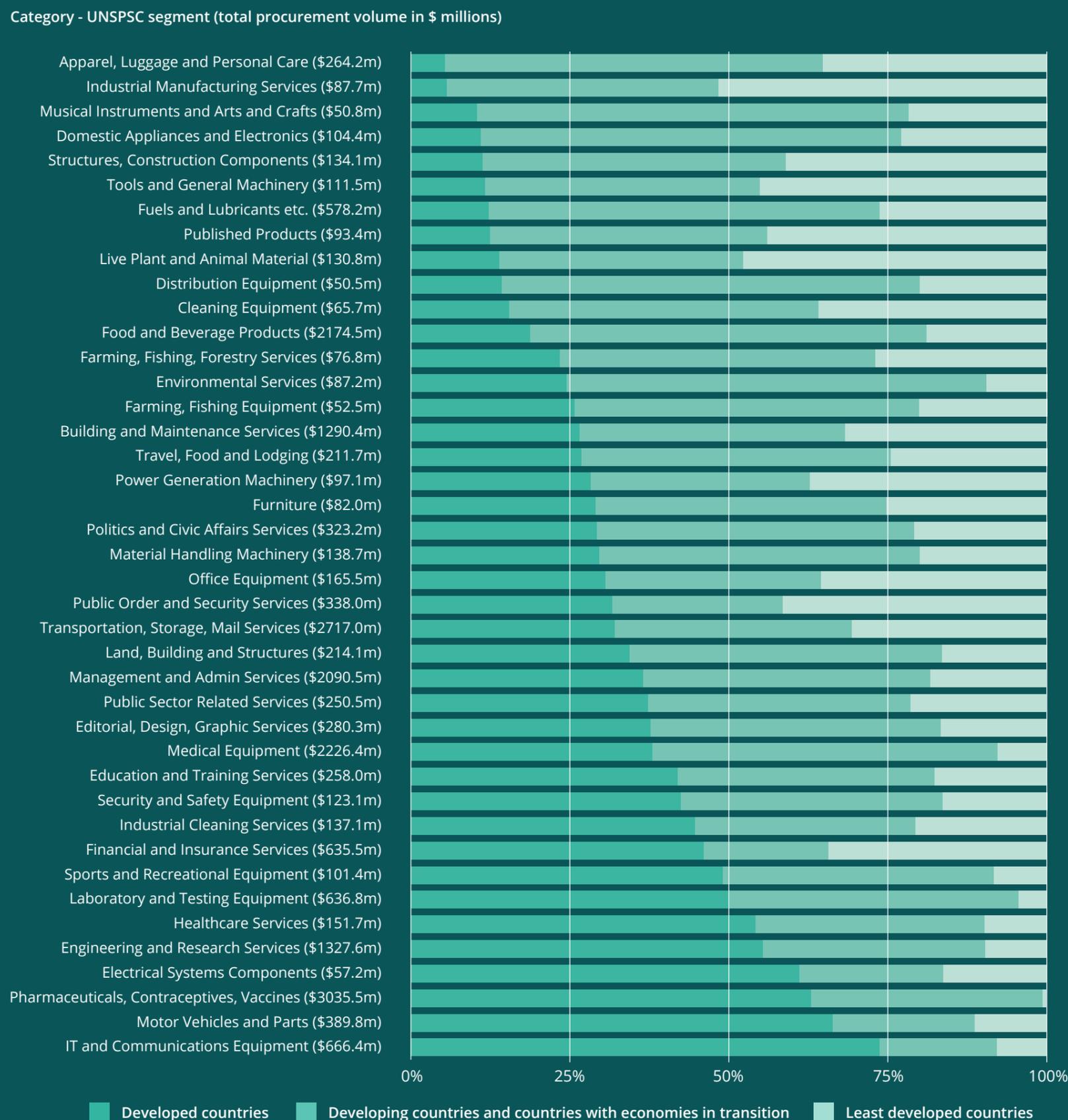
Figure 6 shows the different segments of goods and services with procurement volumes above \$50 million in 2020, as well as the distribution of volume by type of supplier country. The number of segments at or above that amount rose from 36 in 2019 to 41 in 2020. In 12 segments, more than 80 per cent of procurement volume was from developing countries, countries with economies in transition and LDCs, or \$3.8 billion, while 34 segments had a share of more than 50 per cent coming from these countries. Procurement from those 34 segments totalled \$15.7 billion.

Food and beverage products was the largest segment where procurement from developing countries, countries with economies in transition and LDCs represented more than 80 per cent of total procurement volume. In 2020, \$2.2 billion was procured in this segment, \$1.8 billion of which 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. In 2020, only \$2.3 million in procurement volume was reported without a known supplier country, compared to \$27 million in 2019. That, \$2.3 million was all in the *Transportation, storage and mail services* segment, reported by FAO. This represents a substantial improvement in data quality compared to 2019.

**FIND OUT MORE ABOUT WHAT WAS PROCURED
FROM EACH COUNTRY AT WWW.UNGM.ORG/ASR**

Figure 6. Distribution of categories of goods and services by supplier country development status and total procurement volume by segment, 2020 (UNSPSC segments with procurement volume above \$50 million; unspecified goods and services excluded)





HIGHLIGHT STORY - UNHCR

SOLAR POWERED ELECTRICAL MINI-GRIDS FOR REFUGEES IN BANGLADESH

An innovative and simple approach to solar powered electricity has proven efficient and cost-effective in Bangladesh.

UNHCR Bangladesh has launched a three-year project to install electricity “mini-grids” in Kutupalong and Nayapara camps, providing reliable lighting to improve security as well as quality of life for refugees and host communities. The mini-grids consist of one or more solar electricity generators, storage systems and an interconnected distribution network supplying electricity to several end-users.

As well as providing essential power to basic services such as health points and learning centres in the camps during the day, one-third of the electricity generated is stored in batteries during the day to provide street lighting at night. In the sprawling camps, this is a pivotal factor in terms of protection and security for refugees at night.

The project builds on the success of two pilot 43 kilowatt peak (kWp) mini-grids launched by UNHCR in 2016 in collaboration with the Bangladesh University for Engineering Technology and with the support of the IKEA Foundation. The model proved sustainable, cost effective and environmentally friendly, and is being upscaled to benefit more vulnerable refugees. Five mini-grids between 11kWp and 50 kWp, and 100 smaller mini-grids between 1 kWp and 10 kWp, are being installed throughout 2020 to 2022.

In 2020, UNHCR established \$12.3 million worth of contracts with suppliers in Bangladesh for this project.

HOW DOES THE UNITED NATIONS SYSTEM DO PROCUREMENT?



COLLABORATIVE PROCUREMENT

In response to General Assembly resolution 71/243 on the Quadrennial Comprehensive Policy Review, information on collaborative procurement has been collected since 2016. 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 resolution is further reinforced by the 'Mutual Recognition' statement, of which many UN organizations are signatories, and supported through the work of the HLCM Procurement Network.

The objective of collaborative procurement is to achieve reduced prices or better service through economies of scale, and to reduce inefficiency and duplication across UN organizations. An example of procurement collaboration at country level is provided in the text box on page 34.

The total procurement volume reported as collaborative for 2020 was \$1.1 billion, representing 5.1 per cent of total procurement volume. This includes procurement transactions reported by organizations as collaborative as well as transactions where an organization procured goods and services from another UN organization. Almost all organizations – 38 of the 39 – used collaborative procurement approaches in 2020.

Due to technical challenges for the organizations in reporting collaborative information at a transactional level, reported numbers are likely to be a conservative estimate of the collaboration engaged in by the UN system.

Figure 7. Collaborative procurement by organizations (Top 10 procuring organizations), 2020

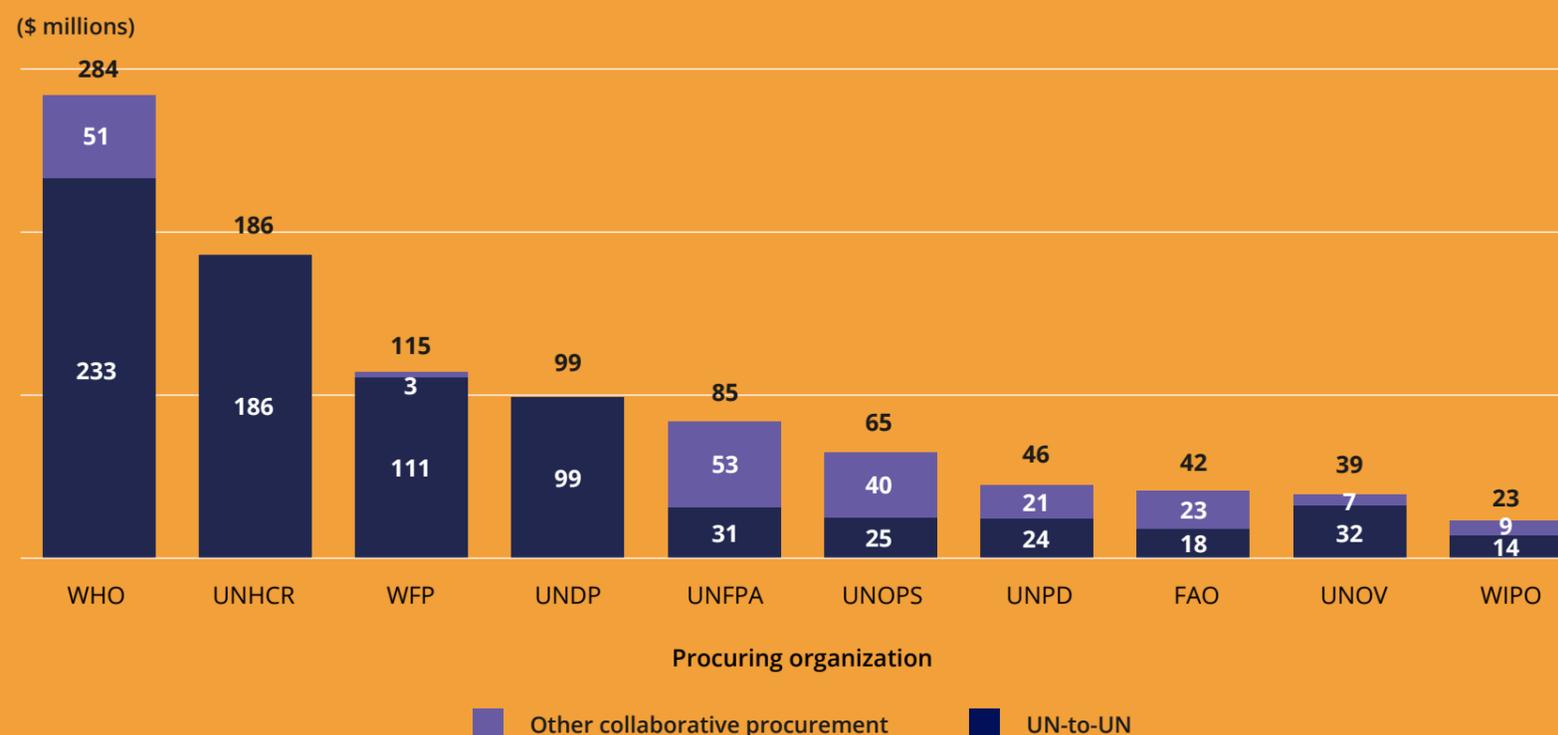
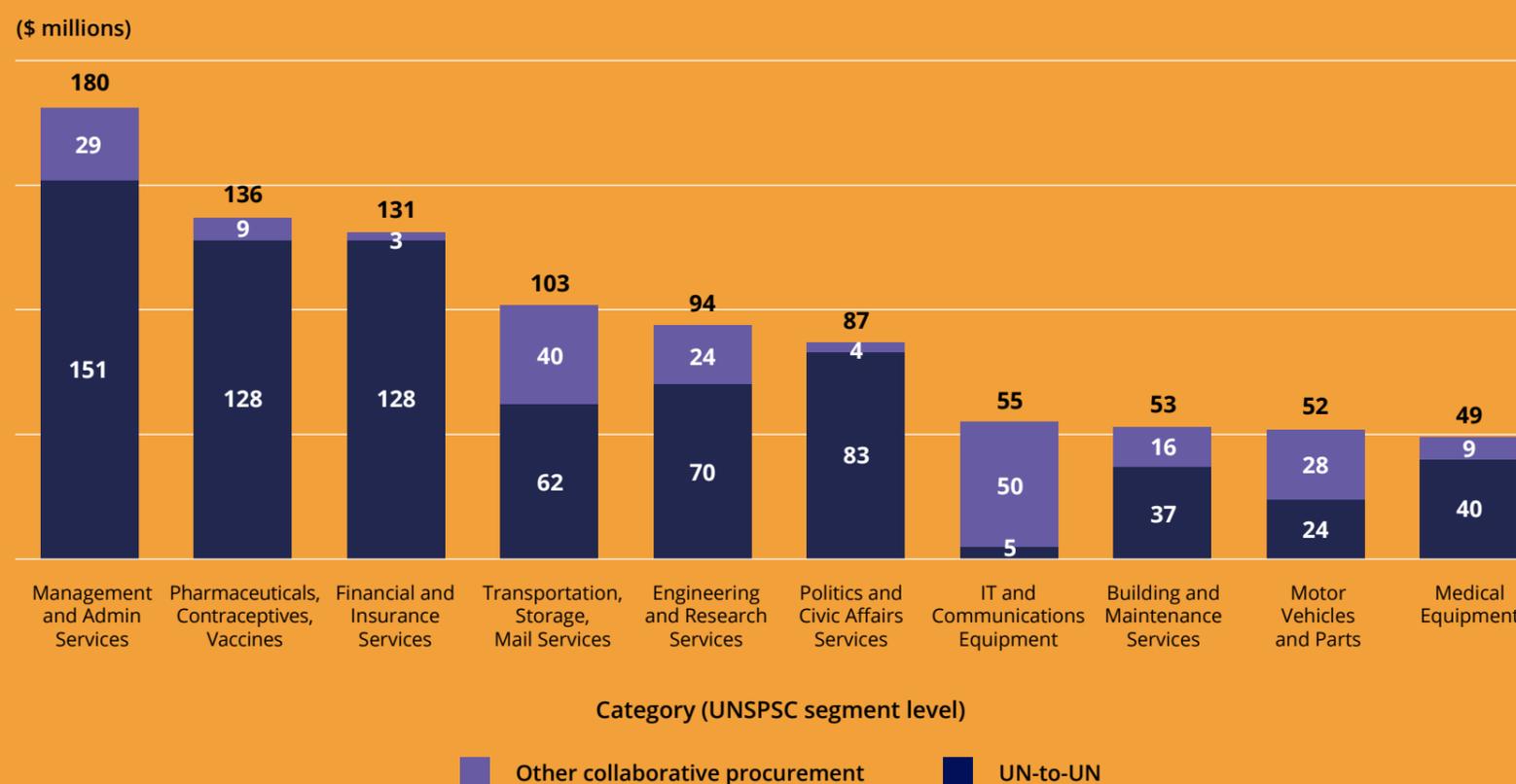


Figure 8. Collaborative procurement by category (Top 10 UNSPSC segments procured), 2020



CPAG – AN EXAMPLE OF PROCUREMENT COLLABORATION BETWEEN UN ORGANIZATIONS IN GENEVA

The Common Procurement Activities Group (CPAG) is a voluntary inter-agency procurement network composed of 20 Geneva-based UN and international organizations.

The objective of CPAG is to provide additional value and collaborative ideas to procurement activities in order to achieve best value for money, not only in the solicitation process but also in the day-to-day procurement functions, by identifying cost efficiencies and collaborative solutions to procurement challenges. Currently, it has 36 common contracts in place.

In 2020, CPAG members continued to share experiences in order to improve efficiency and effectiveness as well as to cut costs in procurement, in addition to working together on collaborative procurement projects. This included four collaborative tenders for the provision of electricity, personal protective equipment, travel management services, and printed and e-journals.

COLLABORATIVE PROCUREMENT BY ORGANIZATIONS

In 2020, 34 of the 39 reporting organizations reported collaborative procurement in their submission, an improvement from 2019 when only 27 organizations were able to report on collaboration.

Reported collaborative procurement activities (procurement indicated by organizations as using collaborative procurement approaches, but excluding UN procurement from other UN organizations and supply-chain management collaboration) totalled \$262 million in 2020, an increase from \$151 million in 2019. This increase was in large part driven by the United Nations Population Fund (UNFPA), reporting collaborative procurement for the first time in 2020, with a value of \$53 million. UNFPA reported the highest amount of such collaborative procurement, followed by WHO, which had a total of \$51 million.

When considering only the organizations that reported collaborative procurement in both 2019 and 2020, the reported amount increased by \$36 million, or 24.0 per cent. WHO had the largest increase with an additional \$20 million reported as collaborative, compared to 2019, followed by UNPD (up \$9.3 million).

In addition, procurement transactions where an organization procured goods and services from another UN organization totalled \$866 million, or 3.9 per cent of the total procurement volume in

2020, an increase from \$731 million and 3.7 per cent of total procurement the year before. This type of procurement is often a result of UN organizations utilizing other organizations' specialization and competitive advantage for a particular type of goods or services.

The main increases in UN-to-UN procurement were seen by WHO and WFP, with increases of \$126 million and \$48 million, respectively. WHO was the organization with the highest volume procured from other UN organizations in 2020, with a total volume of \$233 million, or 26.9 per cent of total UN-to-UN procurement. Of that, \$117 million was procured from UNICEF mostly in the category of *Pharmaceuticals, contraceptives and vaccines*. UNHCR had the second-largest volume of UN-to-UN procurement, with \$186 million, or 21.4 per cent of total UN-to-UN procurement, with \$113 million procured from UNOPS consisting mainly of *Financial and insurance services*. The third-largest was WFP with \$111 million, or 12.9 per cent of total procurement, and of that, \$26 million was procured from UNDP with a large part consisting of *Politics and civic affairs services*.

COLLABORATIVE PROCUREMENT BY CATEGORY

For reported collaborative procurement (excluding UN-to-UN procurement), the main category was *IT and communications equipment* with a volume of \$50 million, followed by *Transportation, storage and mail services* (\$40 million) and *Management and administrative services* (\$29 million).

The largest categories procured under UN-to-UN procurement in 2020 were *Management and administrative services* (\$151 million), *Financial and insurance services* (\$128 million) and *Pharmaceuticals, contraceptives and vaccines* (\$128 million). The latter was the category which recorded the largest increase of \$55 million, or 76.0 per cent.

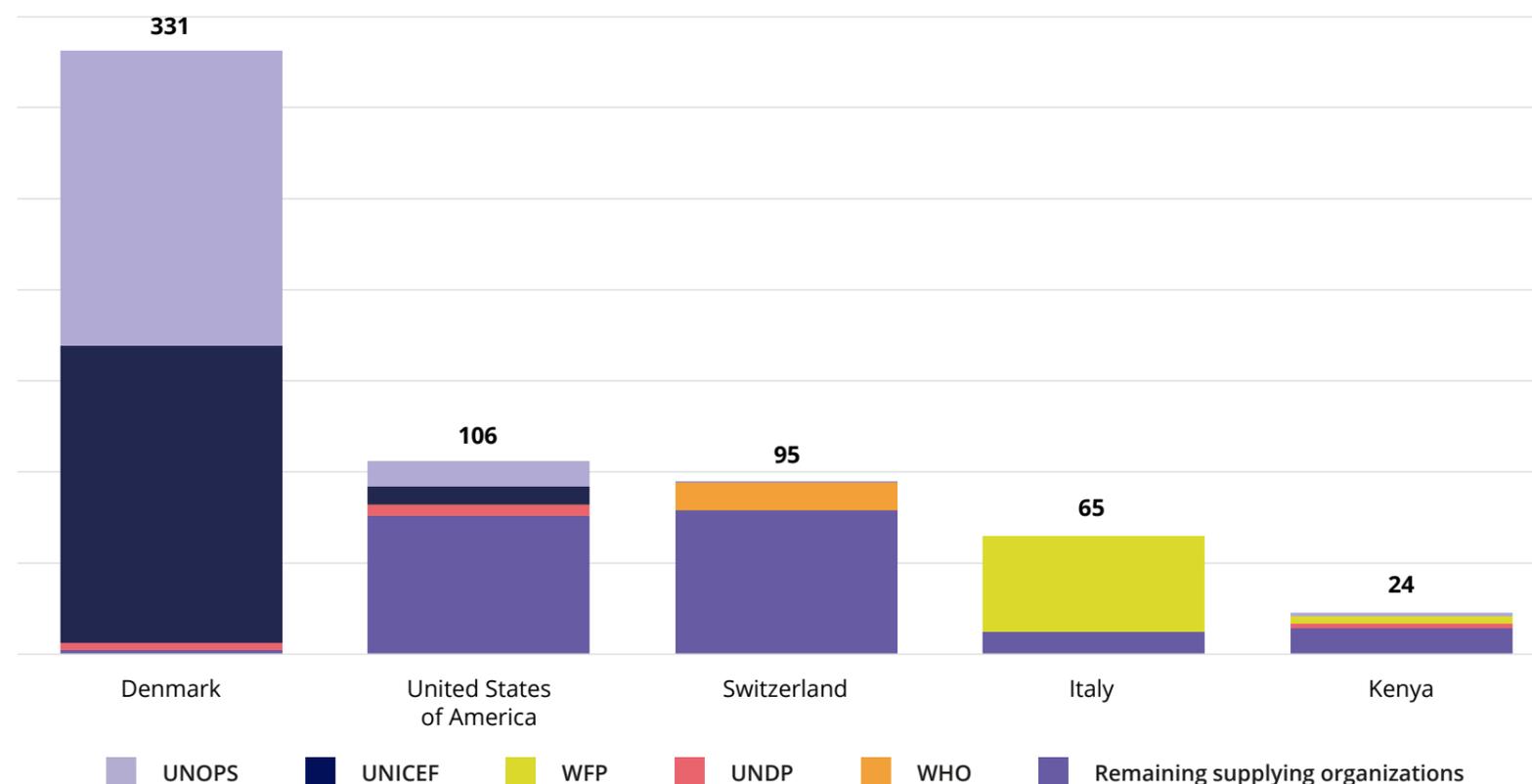
COLLABORATIVE PROCUREMENT BY SUPPLIER ORGANIZATION AND COUNTRY

The largest supplier country for reported collaborative procurement (excluding UN-to-UN procurement) in 2020 was Denmark, with a supplied volume of \$50 million, followed by the United States of America with \$39 million and Switzerland with \$23 million. These three countries host some of the main hubs of the UN system, and the top categories supplied from those countries are related to common operational goods and services with the largest categories being *IT and communications equipment* for \$43 million, *Transportation, storage and mail services* for \$25 million, and *Engineering and research services* for \$15 million.

With regard to UN-to-UN procurement, UNOPS supplied the most to other UN organizations in procurement volume terms, with \$190 million, mainly in the category of *Financial and insurance services* (\$110 million). UNICEF was the second-largest organization in terms of supply to other organizations with \$189 million, including \$127 million of *Pharmaceuticals, contraceptives and vaccines*. The third-largest organization in volume of supply to others was UNDP with \$118 million. The largest category supplied by UNDP was *Management and administrative services* with a volume of \$35 million.

Figure 9. UN-to-UN procurement 2020 by supplier country and supplying UN organization

(\$ millions)



Denmark was the supplier country with the largest volume of UN-to-UN procurement, with \$331 million in 2020, an increase from \$229 million in 2019. The largest volumes came from UNICEF (\$163 million) and UNOPS (\$162 million), reflecting the fact that both organizations have procurement hubs in Denmark. Other countries with high volumes of UN-to-UN procurement were the United States of America, with a total of \$106 million, and Switzerland, with \$95 million.

SUPPLY-CHAIN MANAGEMENT COLLABORATION

Supply-chain management collaboration is a distinct form of collaboration, defined by the HLCM-PN in

October 2019. Any transactions in accordance with the definition of supply-chain management collaboration are no longer reported as collaborative procurement in the ASR, but are reported separately. So far UNICEF is the only organization that reports this type of collaboration. In 2020, 75.4 per cent of its goods procurement volume was conducted through supply-chain management collaboration, totalling \$2.4 billion.

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

SUSTAINABLE PROCUREMENT

Since the adoption of the [Sustainable Procurement Statement](#) by the HLCM Procurement Network in 2009, sustainable procurement has become increasingly prominent within UN organizations. The ASR reports on the extent to which sustainability considerations are incorporated into the procurement processes of UN organizations. Since 2018, all 39 UN organizations that submit procurement transaction data to the ASR have voluntarily shared information on their sustainable procurement practices. The following is a snapshot of key trends in 2020. More detailed information can be found on the [ASR website](#).

The adoption or planned adoption of sustainable procurement policies saw a notable increase in 2020, from 59.0 per cent to 84.6 per cent, as well as the development of sustainable procurement strategies by reporting UN organizations, which increased from 48.7 per cent to 74.4 per cent. It is typical that the adoption of measurable targets follows the adoption of strategy and policy implementation. However, the adoption of measurable targets, while increasing marginally, did not increase to the same extent as the adoption of policies and strategies.

Internal capacity development remained steady, with 28 of the 39 reporting UN organizations training their procurers on sustainability over the past three years. Additional investments in activities to enhance sustainable procurement capacity also remained stable (with a marginal increase, from 16 organizations to 17). After *Sustainability strategy planning*, the largest area of sustainable

procurement activities planned for 2021 is in *Further procurement investments other than training*, followed by *Training of staff*. This positive trend is demonstrated in the sections below on the integration of sustainability into the procurement process.

Year-on-year, the largest growth with regard to the integration of sustainable procurement into the procurement process has been through the inclusion or planned inclusion of sustainability-related content in contract clauses. Since 2018, this has increased from 33.3 per cent to 74.4 per cent, representing 25 organizations (see Figure 10). The use of total cost of ownership (TCO) remains widely used by the reporting UN organizations, slightly increasing year-on-year. Combined, 87.2 per cent of organizations have either implemented or plan to implement TCO as part of their procurement processes in 2021.

It is widely accepted that the earlier sustainability criteria are included in a procurement process, the higher the likelihood of meaningful impact. There was a steady increase in the inclusion of sustainability criteria into the pre-procurement stage of requirements definition. Although there was a marginal decrease between 2019 and 2020, it is expected to grow from 61.5 per cent to 82.1 per cent in 2021 when including organizations that plan its implementation. Not only has the inclusion of sustainability considerations in requirements definition increased, but a third of the organizations included them in over 20 per cent of procurement processes.

Figure 10. Integration of sustainable procurement in the procurement process, 2020



Figure 11. Types of considerations integrated in procurement processes, 2018–2020





When considering the integration of sustainability in the procurement process within the three recognized pillars of sustainability (environmental, social, economic), the distribution has been relatively balanced since the 2018 reporting year. However, integration of social considerations increased significantly in 2020, from 56.4 per cent to 79.5 per cent of organizations (see Figure 11), bringing them to the same level as economic considerations. In 2020, 92.3 per cent of organizations integrated environmental considerations.

Suppliers play an integral role in ensuring that sustainable procurement has a meaningful impact. Over the last three years there has been a steady increase in how the reporting UN organizations engage with suppliers in their sustainable procurement efforts. Since 2018, there has been an increase in the verification of suppliers' adhering to the UN Supplier Code of Conduct: in 2020, this reached a high of 66.7 per cent of the reporting UN organizations. In 2018, just under a third (30.8 per cent) of the reporting UN organizations collaborated with suppliers to enhance sustainability of the supply chain. That fraction increased to just over half (51.3 per cent) in 2019, and the positive trend continued into 2020, with 56.4 per cent of organizations. Although the planned sustainable procurement activities in 2021 do not demonstrate a priority to *Check suppliers' adherence to UN Supplier Code of Conduct* and *Collaboration with suppliers to enhance sustainability in supply chain*, they show year-on-year growth in those two areas by the reporting UN organizations.

**[FIND OUT MORE ABOUT SUSTAINABLE PROCUREMENT
IN THE UN SYSTEM AT WWW.UNGM.ORG/ASR](http://www.ungm.org/asr)**

FIND OUT MORE

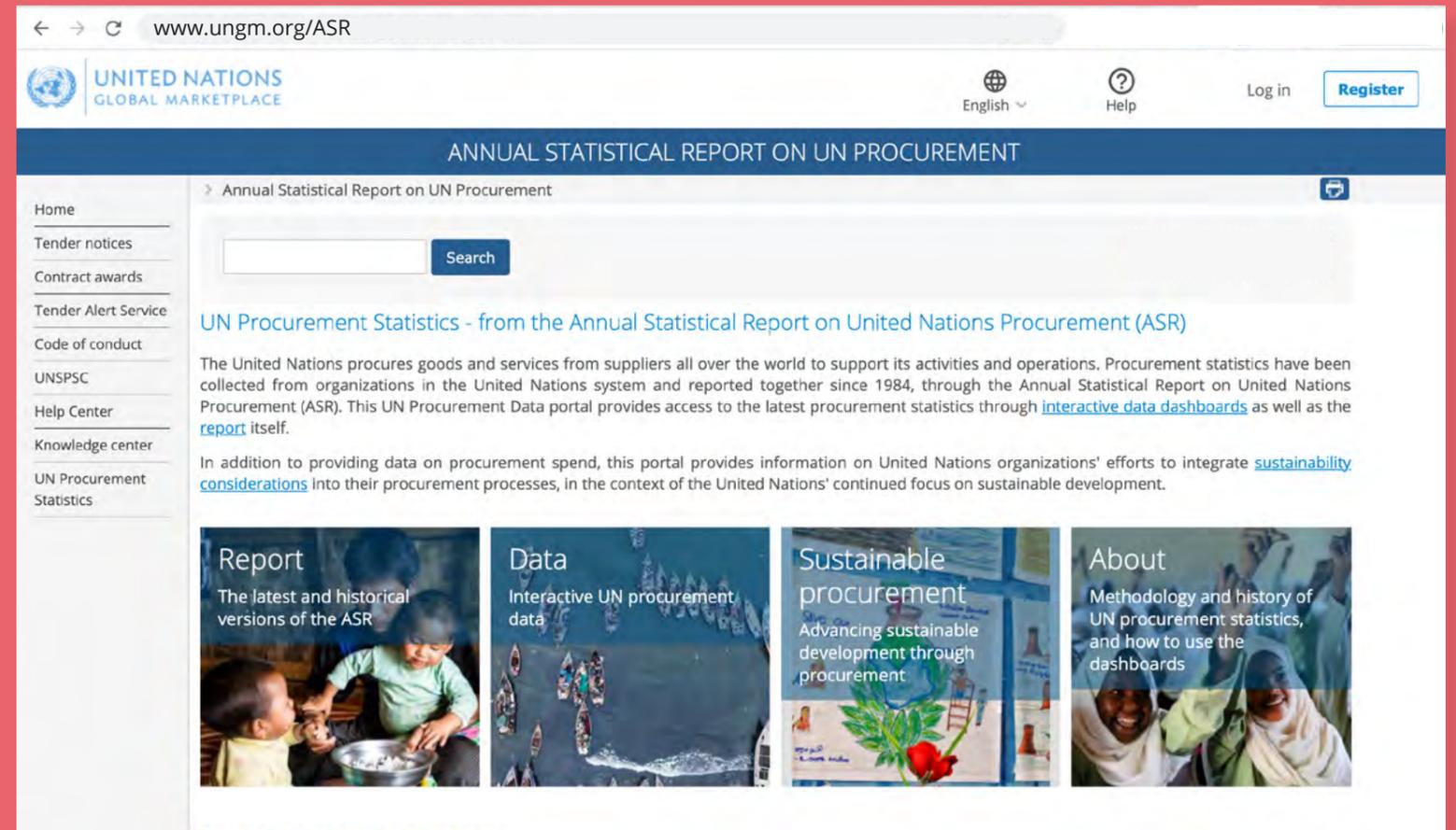


FIND OUT MORE

The insights in this report only scratch the surface of the data available in the ASR. Online interactive and user-friendly dashboards containing procurement data from 2013 to 2020 are available in UNGM. These dashboards provide you with the ability to delve deeper into procurement statistics and analyze procurement from certain countries, organizations, spend categories, details of major contracts and much more.

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

[GO TO WWW.UNGM.ORG/ASR TO FIND OUT MORE.](http://www.ungm.org/ASR)



APPENDIX



METHODOLOGY

PARTICIPANTS

For 2020, 39 UN organizations participated in the ASR. Where this report refers to procurement by the UN system or by UN organizations, it refers to the procurement activities of those 39 organizations. The participating organizations in this reporting year are displayed in table 9.

PROCUREMENT DATA

UNOPS requests statistical data on the procurement of goods and services for operational activities from UN organizations in the form of data on purchase orders raised in the reporting calendar year. Procurement is defined as the acquisition through purchase or lease of real property, goods or other products (including intellectual property), works or services.⁴

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

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

4. As defined by the [UN Procurement Practitioner's Handbook](#)

Table 9. Participating organizations, 2020

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	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
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
ICTY	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

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

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

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

Nations Office at Geneva (UNOG), United Nations Office at Nairobi (UNON) and United Nations Office at Vienna (UNOV). Similarly, UNDP prepared and submitted data on behalf of the United Nations Volunteers (UNV), as well as submitting its own data.

PROCUREMENT VOLUME AND CURRENCY

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

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

- 1.00 USD = 0.941 CHF
- 1.00 USD = 0.879 EUR

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

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

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

CATEGORIZATION

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

There was a continued improvement in the ability to specify UNSPSC categories for the reporting organizations in 2020. In some limited cases, organizations are unable to provide information on the categorization of goods and services procured, in which case this data is reported as “unspecified goods” and “unspecified services”. The amount of data reported against unspecified categories decreased from 1.0 per cent, or \$193 million in 2019, to only 0.6 per cent, or \$137 million in 2020.

Where categories are known, there was a decrease in overall specificity of goods and services categories reported by the organizations. The amount of goods and services reported at the most general segment level increased from 13.1 per cent in 2019, to 17.7 per cent in 2020, while the procurement volume reported at the most specific class and commodity levels decreased from 58.8 per cent, or \$11.6 billion, in 2019, to 53.3 per cent, or \$11.8 billion in 2020. This was in large part due to the increase in the segment

of *Medical equipment*, where the availability of detailed codes reflecting the nature of goods procured by the organizations is insufficient, thus forcing organizations to report at a higher level.

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

As a complement to the UNSPSC hierarchy, for the ASR, this is further summarized into sectors, which have been updated for this edition to better reflect the key areas of UN procurement. Each sector includes goods and services categories from different UNSPSC segments, the highest level in the UNSPSC codeset. Some of these segments are split into different sectors based on the nature of goods and services and their predominant purpose in the UN context, including:

- the *Pharmaceuticals, contraceptives, vaccines and Medical equipment* UNSPSC segments both have portions related to veterinary products that are grouped under the **Food and farming** sector while the rest is reported under **Health**
- the *Transportation, storage and mail services* segment is divided between the sectors **Transportation and storage** and the **Travel, accommodation and catering services**, to distinguish between transportation of goods and people
- the *Management and administrative services* segment is split between the sectors **Administration and operations** and **Finance, insurance and real estate**
- the *Engineering and research services* segment is split between **Construction, engineering and science, Media, IT and communications, Administration**

- **and operations** and **Transportation and storage**
- the *Motor vehicles and parts* segment is divided between **Motor vehicles, industrial machinery and heavy equipment** and **Transportation and storage**
- the *Apparel, luggage and personal care* segment is split between **Health** and **Other goods and services**

More information about the categorization used for the ASR can be found on the [UNGM website](#).

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 grouped and displayed as ‘remaining countries’.

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

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

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.

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

Reporting on supplier country information improved slightly in 2020, with supplier country information provided for 99.84 per cent of the total UN procurement volume compared to 99.80 per cent in 2019. \$34 million could not be attributed to a specific country; but \$32 million could be attributed to a region. This improvement can mainly be attributed to FAO providing supplier country data for 99.3 per cent of all of its procurement in 2020, compared to only 93.4 per cent in 2019.

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. For more information on country designations for the ASR, visit the [online page](#).

SUPPLIER NAMES

Supplier names are used in the analysis for procurement related to Covid-19 and published in the data on major contracts on the [ASR website](#).

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'. If the supplier is an individual, the name is reported as 'Name withheld for privacy reasons'.

For analysis based on supplier names, adjustments have been made to only include data where the supplier name is known (not unspecified nor withheld for security or privacy reasons).

COVID-19 PROCUREMENT

In 2020, reporting organizations were invited to submit information on the procurement of goods and services directly related to the pandemic response. Noting the differing mandates of the participating organizations, each identified the most appropriate approach to identifying relevant transactions (for example based on project or product). However, organizations were asked to refrain from flagging procurement for internal purposes (e.g., furniture or IT equipment for personnel working remotely) and instead focus on goods and services procured for beneficiaries.

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 HLCCM-PN Working Group on Harmonization.

The types of common procurement considered in the document are:

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

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

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

- Sharing technical requirements (specifications, terms of reference, statement of works) or developing common technical and performance requirements
- Leveraging technical expertise of other UN Organizations and non-UN partners to collaborate on quality assurance of products and services
- Joint forecasting, logistics and warehousing with

UN and non-UN partners for the purpose of market shaping activities or joint assessments of manufacturers' capacity with UN and non-UN partners

- Joint strategies with UN and non-UN partners, e.g., to stimulate and create product development and markets, to ensure product tracking, etc.

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

SUSTAINABLE PROCUREMENT

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

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

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

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

The analysis related to UN Global Compact included in previous report editions has been discontinued.



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