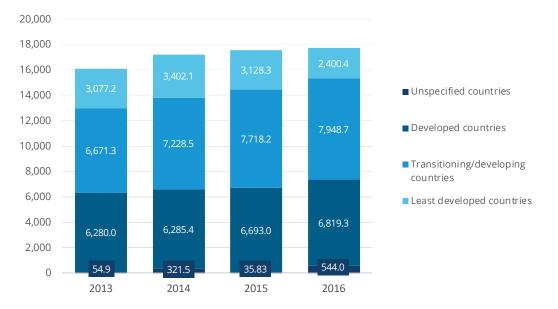
PROCUREMENT FROM COUNTRIES WITH ECONOMIES IN TRANSITION, DEVELOPING COUNTRIES AND LEAST DEVELOPED COUNTRIES

Total procurement by country groupings

The 2030 Agenda for Sustainable Development, adopted by the international community through General Assembly Resolution A/RES/70/1 (2015) in New York in September 2015, sets out an ambitious path through 17 Sustainable Development Goals (SDGs) to eradicate poverty, fight inequalities and tackle climate change, while ensuring that no one is left behind⁴⁴. Nearly half of the population of the 48 LDCs remained in extreme poverty as the UN took on this global challenge in 2016. The ASR has reported an increase in procurement to the UN system from both developing countries and countries with economies in transition since the 2005 report. Last year, the ASR begun to report on an additional country grouping – least developed countries – where shortfalls identified from SDG targets are the greatest.

Figure 8. United Nations procurement from developed countries, countries with economies in transition and developing countries, and LDCs, 2013-2016 (in millions of US dollars)



In 2016, procurement from countries with economies in transition, developing countries and LDCs combined has increased by \$706.5 million⁴⁵, while procurement from LDCs decreased by \$176.9 million⁴⁶ over the same period. In Figure 9, when looking at the proportion of procurement for these groups combined as a proportion of the total procurement, the share of economies in transition, developing economies and LDCs has decreased from 61.7 per cent to 58.5 per cent,

⁴⁶ Adjusting for the UNDP NIM by comparing with 2015 without NIM as well.

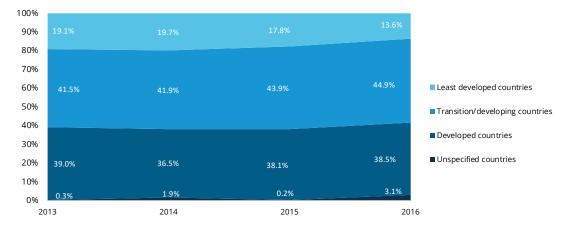


⁴⁴ For more information on the UN SDGs, please visit www.sustainabledevelopment.un.org/sdgs.

⁴⁵ Adjusting for the UNDP NIM by comparing with 2015 without NIM as well.

driven by the decrease for LDCs, from 17.8 per cent in 2015 to 13.6 per cent in 2016 (Figure 9)⁴⁷. It is important to note that the decrease of LDCs looks larger and the increase of transition and developing countries looks smaller due to the UNDP NIM extraction. The share of developing countries and economies in transition alone has been steadily increasing over the last three years, from 41.5 per cent in 2013 to 44.9 per cent in 2016.

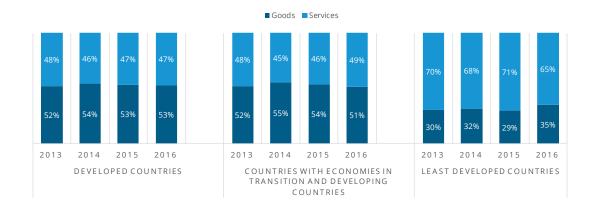
Figure 9. UN procurement from developed countries, countries with economies in transition and developing countries, and LDCs, 2013-2016 (in percentage)



The distribution of goods and services procurement differs between the different country groupings (Figure 10). For developed countries, developing countries and countries with economies in transition, the distribution between goods and services has remained consistent with a slight weight on goods at around 53 per cent over the last four years. For LDCs, the distribution between services and goods has also been consistent at 70/30 per cent as the UN procures significantly more services than goods from these countries. The drop in services in 2016 can be explained by the extraction of the UNDP NIM data, which is predominantly services.

⁴⁷ If we adjust for the NIM in the 2015 data as well, we can see that the share of procurement from all developing economies decreased by 0.7 per cent, and the share of LDCs decreased by 2.3 per cent.

Figure 10. UN procurement of goods and services from developed countries, countries with economies in transition and developing countries, and LDCs, 2013-2016 (in percentage)



Procurement from countries with economies in transition, developing countries and LDCs combined, by largest UN organizations

Figure 11 displays the top ten UN organizations in procurement volume in 2016⁴⁸, as well as their share of UN LDCs procurement volume in 2015 and 2016. Organizations are listed in descending order by total procurement volume in 2016.

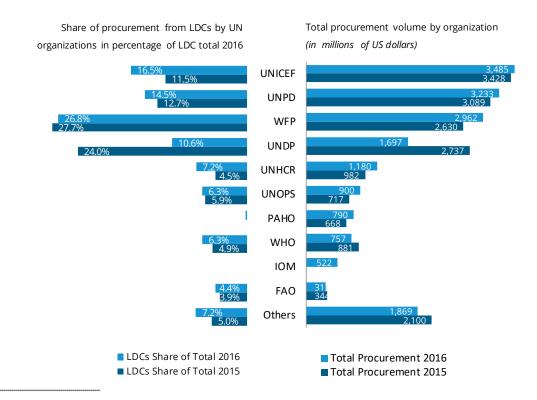


Figure 11. Procurement by top ten organizations of the UN system from LDCs in 2016

48 Ranking is based on the individual organizations procurement volume in relation to the total UN procurement volume, 2016.



PROCUREMENT FROM COUNTRIES WITH ECONOMIES IN TRANSITION, DEVELOPING COUNTRIES, AND LEAST DEVELOPED COUNTRIES 2016 Annual Statistical Report on United Nations Procurement Together, this top ten represented 89.4 per cent of the overall procurement volume of the UN system in 2016 and 92.8 per cent of the UN system's procurement from LDCs. Procurement from LDCs decreased by \$194.5 million from the top ten organizations compared to 2015 (excluding UNDP NIM).

Country group procurement by category

In 2016, UN organizations reported 29 per cent of their procurement volume on a UNSPSC® segment level, with the remaining 71 per cent reported on family level or lower, which provides further details into the categories of goods and services procured. This is an improvement in granularity compared to last year when 66 per cent of the procurement data was reported at a more detailed level and 34 per cent at UNSPSC® segment level. Overall, procurement was reported against all 57 UNSPSC® segments and 380 families, out of a possible 486 families⁴⁹.

Figure 12⁵⁰ looks at the UN system's procurement volume at a UNSPSC® segment level, articulating procurement into five high-level segment groups. The figure shows that procurement from developed countries is dominated by services and end-use products, with a combined share of 92 per cent. Procurement from countries with economies in transition and developing countries follow a similar distribution, where services and end-use products together made up 90 per cent of total volume, although these countries have a slightly larger share of raw materials (5 per cent versus 1 per cent) compared to developed countries. For LDCs, procurement of end-use products have a significantly smaller share of the total volume (18 per cent) compared to both the other country groups, whilst the share of procurement of raw material and services is higher compared to the other country groups.

⁴⁹ UNSPSC® 'segment' is the highest level of the category hierarchy, with 'family' representing the next highest level. In all, UNSPSC® has four hierarchy levels.

⁵⁰ If we compare the figure to last year, we can see that for all groups, the share of unspecified goods and services is significantly lower, due to the extraction of the UNDP NIM this year.

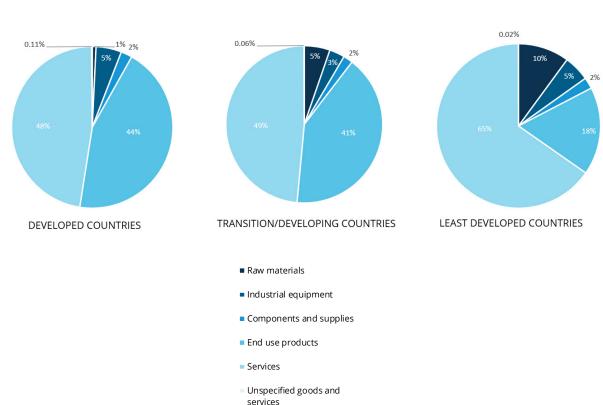


Figure 12. Procurement from developed countries, countries with economies in transition and developing countries and LDCs by UNSPSC® groups, in 2016. (in percentage)

Figure 13 shows the distribution of 48 UNSPSC® categories at a family level, each accounting for \$50 million or more in UN procurement volume in 2016. At this more detailed family level, a few categories stand out with a particularly high share of procurement from developed countries or countries with economies in transition and developing countries, and LDCs.

Of the 48 UNSPSC® categories displayed, 19 have more than 50 per cent of their total volume originating from developed countries. Seventeen of the UNSPSC® categories have more than 50 per cent of their procurement volume from both developing countries and countries with economies in transition, and a total of 29 UNSPSC® family categories have more than half of their total procurement volume coming from countries with economies in transition, developing countries and LDCs combined.

Figure 13. Distribution of procurement between developing countries, countries with economies in transition and developing countries, and LDCs by UNSPSC® family categories⁵¹ sorted by share of developed countries, smallest to largest (in percentage)

	Developed	Developing LDCs	
Other	38.4%	44.7%	13.7%
Fuels	3.2 <mark>% 64.4%</mark>		32.0%
Nonresidential building construction services	4.1% 70.4%		25.2%
Prepared and preserved foods	5.2%	94.2%	0.6%
Structural materials	5.6%	89.5%	4.2%
Bedclothes and table and kitchen linen and towels	9.0%	70.5%	11.5%
Accommodation furniture	11.1%	63.1%	10.8%
Humanitarian aid and relief	13.9%	71.9%	14.1%
Storage	19.8%	66.3%	13.9%
Batteries and generators and kinetic power transmission	20.5%	68.7%	9.3%
Building and facility maintenance and repair services	20.8%	38.3%	13.6%
Hotels and lodging and meeting facilities	23.5%	58.1%	13.7%
Heavy construction services	24.1% 35.0%		40.9%
Passenger transport	24.2%	59.0%	13.2%
Mail and cargo transport	24.4%	54.5%	21.1%
Telecommunications media services	25.8%	55.7%	18.6%
Reproduction services	26.9%	42.0%	25.6%
Professional engineering services	27.6%	51.1%	21.3%
Vocational training	31.8%	52.7%	15.4%
Transport services	31.8%	43.3%	24.8%
Comprehensive health services	36.3%	44.3%	19.3%
Management advisory services	36.3%	33.2%	12.3%
Business administration services	37.0%	48.1%	14.8%
Marketing and distribution	38.0%	53.7%	8.3%
Camping, outdoor equipment, & accessories (inc shelter)	40.7%	53.6%	1.9%
Utilities	44.4%	35.0%	19.4%
Clinical nutrition	45.1%	31.8%	23.1%
Cleaning and janitorial services	46.1%	31.1%	22.1%
Real estate services	46.2%	27.3%	19.3%
Human resources services	48.8%	38.2%	13.0%
Amebicides and trichomonacides and antiprotozoals	51.5%	47.4%	1.1%
Travel facilitation	53.4%	32.8%	13.8%
Writing and translations	56.8%	39.0%	3.3%
Security and personal safety	60.6%	14.1%	22.8%
Motor vehicles	64.6%	24.1%	6.3%
International relations	65.3%	12.0%	22.1%
Computer Equipment and Accessories	65.4%	20.3%	7.2%
Insurance and retirement services	67.0%	20.7%	9.6%
Immunomodulating drugs	69.0%	29.2%	1.6%
Military services and national defense	71.1%	27.0%	1.9%
Mobile medical services products	72.6%	23.2%	3.7%
Specialized trade construction and maintenance services	75.5%	17.3%	6.9%
Office machines and their supplies and accessories	77.1%	14.4%	5.8%
Prefabricated buildings and structures	79.5%	19.4%	
Computer services	79.5%	14.3%	4.4%
Information Technology Service Delivery	79.6%	9.0%	9.2%
Data Voice or Multimedia Network Equipment or			7.3%
Estrogens and progestins and internal contraceptives	85.8%		14.2%
Software	87.1%		6% 3.1%

51 Volume above \$50 million.

PROCUREMENT FROM COUNTRIES WITH ECONOMIES IN TRANSITION, DEVELOPING COUNTRIES, AND LEAST DEVELOPED COUNTRIES 2016 Annual Statistical Report on United Nations Procurement

LDCs supplying UN organizations

The classification of LDCs was officially established by the UN General Assembly in 1971 as the UN began to focus on the most vulnerable and disadvantaged members of the UN system. Special measures were incorporated in favour of LDCs in the International Development Strategy for the UN in the 1970s. The First United Nations Conference on the LDCs was held in Paris in 1981, adopting a new programme of action for LDCs. Continuing on that decision, the Programme of Action for the Least Developed Countries for the Decade 2011-2020 was adopted by the Fourth UN Conference on the Least Developed Countries in Istanbul from 9 to 13 May 2011. The current list of LDCs includes 48 countries⁵², and they comprise more than 880 million people (approximately 12 per cent of world's population), but account for less than 2 per cent of world's GDP and about 1 per cent of the global trade in goods.

In total, the UN system's procurement of goods and services from LDCs represented 13.6 per cent of the overall UN procurement volume in 2016 (Table 3). The largest countries in terms of supply to the UN are Ethiopia, Afghanistan and South Sudan. For more information on what the UN procured from these countries, please see the country profile pages for the respective country⁵³.

The ten largest categories procured from LDCs represent 74 per cent of the total UN volume procured from these countries. A further analysis of the ten largest categories of goods and services procured from LDCs (Table 4), shows that the largest procurement volume for services is: cargo and passenger transportation (18 per cent); building and maintenance services (13 per cent): and management and admin services (10 per cent). Procurement of goods from LDCs is mainly focused on fuels (8 per cent), food (7 per cent) and medical equipment (3 per cent).

⁵² For list of the 48 countries, please see annex II

⁵³ Available at 74,71 and 86 respectively

Table 3. LDCs supplying UN organizations in 2015 and 2016 (in millions of US dollars and percentage)

Least Developed Countries	Goods 2015	Services 2015	2015 Total	% of Total 2015	Goods 2016	Services 2016	2016 Total	% of Total 2016
Ethiopia	97.8	225.8	323.6	1.84%	93.7	155.4	249.1	1.41%
Afghanistan	47.8	580.2	628.0	3.57%	60.8	128.4	189.2	1.07%
South Sudan	39.7	159.3	199.0	1.13%	54.6	124.1	178.7	1.01%
Sudan	170.4	115.9	286.3	1.63%	117.4	58.8	176.2	0.99%
Democratic Republic of the Congo	37.0	79.2	116.2	0.66%	39.3	105.4	144.7	0.82%
Uganda	45.7	79.0	124.7	0.71%	36.6	85.6	122.2	0.69%
Mali	35.5	87.0	122.5	0.70%	21.2	90.6	111.8	0.63%
Yemen	24.6	60.1	84.6	0.48%	32.4	75.5	107.9	0.61%
	17.8	46.9	64.7	0.48%	20.3	73.5	95.1	0.54%
Senegal								
Malawi	23.5	27.7	51.2	0.29%	38.8	32.8	71.6	0.40%
Chad	15.9	50.7	66.6	0.38%	24.0	43.2	67.1	0.38%
Somalia	13.3	58.5	71.8	0.41%	9.1	54.7	63.7	0.36%
Haiti	15.6	40.7	56.2	0.32%	21.3	40.3	61.5	0.35%
United Republic of Tanzania	28.9	43.5	72.4	0.41%	21.5	36.0	57.5	0.32%
Myanmar	26.2	27.8	54.0	0.31%	24.0	33.5	57.5	0.32%
Niger	31.3	26.5	57.9	0.33%	29.3	24.3	53.7	0.30%
Mozambique	8.9	18.6	27.5	0.16%	18.6	30.5	49.1	0.28%
Zambia	20.0	16.1	36.2	0.21%	10.9	31.7	42.6	0.24%
Nepal	17.8	48.7	66.5	0.38%	9.3	33.3	42.6	0.24%
Bangladesh	15.9	39.6	55.6	0.32%	11.9	30.6	42.5	0.24%
Central African Republic	18.8	18.8	37.6	0.21%	16.5	24.9	41.3	0.23%
Madagascar	12.8	16.8	29.6	0.17%	20.5	18.6	39.2	0.22%
Liberia	39.7	56.9	96.6	0.55%	8.3	29.4	37.8	0.21%
Burkina Faso	16.5	22.8	39.2	0.22%	10.2	24.6	34.8	0.20%
Guinea	14.6	50.6	65.2	0.37%	7.2	25.0	32.2	0.18%
Rwanda	15.3	16.7	32.0	0.18%	16.6	15.0	31.6	0.18%
Sierra Leone	18.3	43.2	61.5	0.35%	5.8	23.8	29.5	0.17%
Burundi	11.3	17.3	28.7	0.16%	8.0	19.4	27.4	0.15%
Djibouti	2.5	23.1	25.7	0.15%	2.7	17.1	19.8	0.11%
Benin	6.2	14.6	20.8	0.12%	12.1	7.2	19.3	0.11%
Cambodia	3.6	15.2	18.9	0.11%	5.8	10.3	16.1	0.09%
Тодо	1.5	8.1	9.6	0.05%	0.8	9.6	10.4	0.06%
Lao People's Democratic Republic	4.1	11.2	15.3	0.09%	3.1	7.3	10.3	0.06%
Mauritania	3.9	9.7	13.6	0.08%	3.5	6.7	10.2	0.06%
Angola	1.4	4.6	5.9	0.03%	1.8	7.5	9.2	0.05%
Timor-Leste	1.3	4.8	6.1	0.03%	1.3	7.1	8.4	0.05%
Guinea Bissau	2.5	7.8	10.4	0.06%	2.5	5.3	7.8	0.04%
Lesotho	1.4	5.5	6.8	0.04%	3.5	3.4	6.9	0.04%
Gambia	2.0	6.0	8.0	0.05%	2.1	3.9	6.0	0.03%
Solomon Islands	1.3	2.2	3.5	0.02%	2.5	2.0	4.5	0.03%
Comoros	1.5	4.3	5.9	0.03%	0.7	2.3	3.0	0.02%
Eritrea	2.1	5.8	8.0	0.05%	0.6	2.0	2.5	0.01%
Equatorial Guinea	1.4	2.8	4.2	0.02%	0.5	1.6	2.2	0.01%
Vanuatu	0.4	2.9	3.3	0.02%	0.4	1.5	1.9	0.01%
Sao Tome and Principe	0.5	1.9	2.5	0.01%	0.3	1.4	1.7	0.01%
Bhutan	1.5	1.3	2.9	0.02%	0.4	1.2	1.6	0.01%
Kiribati	0.1	0.7	0.7	0.00%	0.0	0.4	0.5	0.00%
Tuvalu	0.0	0.5	0.48	0.00%	0.0	0.0	0.0	0.00%

PROCUREMENT FROM COUNTRIES WITH ECONOMIES IN TRANSITION, DEVELOPING COUNTRIES, AND LEAST DEVELOPED COUNTRIES 2016 Annual Statistical Report on United Nations Procurement Table 4. Top ten goods and services procured by the UN system from LDCs in 2016(in percentage)

Procurement from LDCs		
Top 10 Categories	Total	% of LDC total
Transportation and Storage and Mail Services	441.9	18.41%
Building and Facility Construction and Maintenance Services	301.5	12.56%
Management and Business Professionals and Administrative Services	232.0	9.66%
Fuels and Fuel Additives and Lubricants and Anti corrosive Materials	192.6	8.02%
Food and Beverage Products	174.7	7.28%
Engineering and Research and Technology Based Services	133.7	5.57%
Public Order and Security and Safety Services	93.2	3.88%
Healthcare Services	89.6	3.73%
Medical Equipment and Accessories and Supplies	63.3	2.64%
Travel and Food and Lodging and EntertainmentServices	45.2	1.88%
		73.64%
Grand Total LDC	2,400.4	