



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



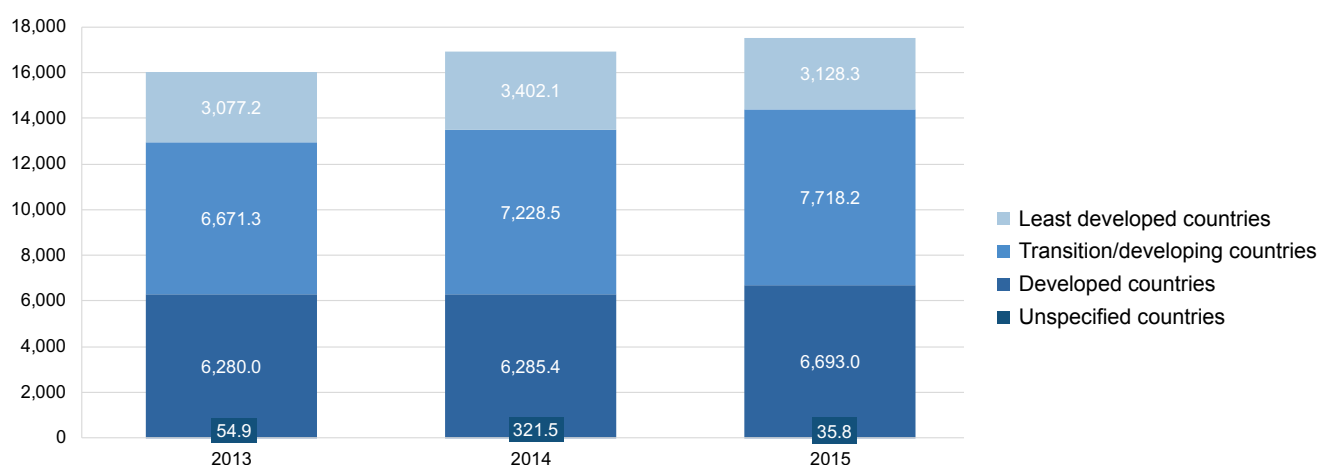
2015 Annual Statistical Report on United Nations Procurement

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 behind²⁹. Nearly half of the population of the 48 least developed countries (LDCs) remain in extreme poverty as the UN takes 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. This year, the ASR has begun to report on an additional country grouping - least developed countries - where shortfalls identified from the SDG targets are the greatest.

Figure 8

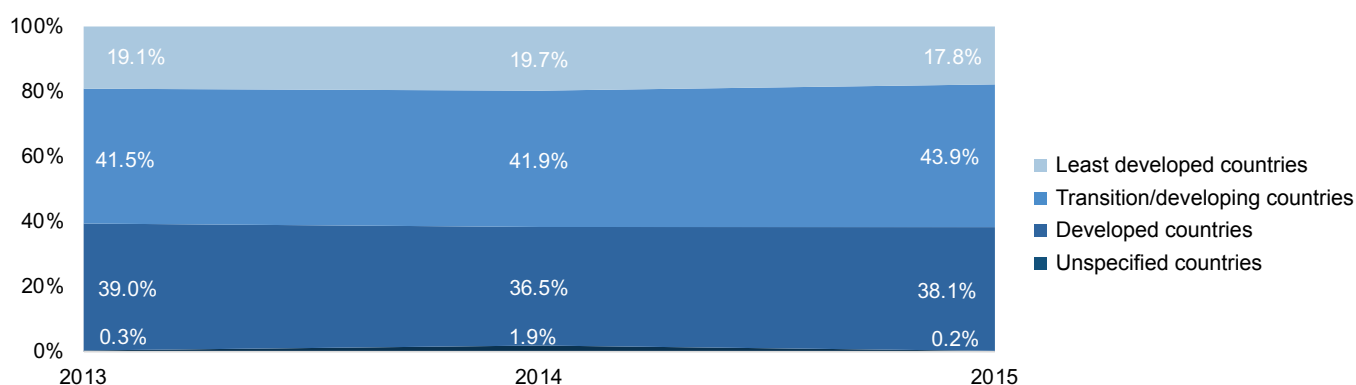
United Nations procurement from developed countries, countries with economies in transition and developing countries, and LDCs, 2013-2015 (in millions of US dollars)



In 2015, procurement from countries with economies in transition, developing countries and LDCs combined increased by \$215.9 million, where procurement from least developed countries decreased by \$274 million over 2014 (Figure 8). However, compared to the previous year, the share of procurement from all developing economies has remained level with the 2014 share of 61.7 per cent, with procurement from LDCs representing a share of 17.8 per cent, a decrease from 19.7 per cent in 2014 (Figure 9). The share of developing countries and economies in transition has been steadily increasing over the last three years, from 41.5 per cent in 2013 to 43.9 per cent in 2015³⁰.

Figure 9

UN procurement from developed countries, countries with economies in transition and developing countries, and LDCs, 2013-2015 (in percentage)



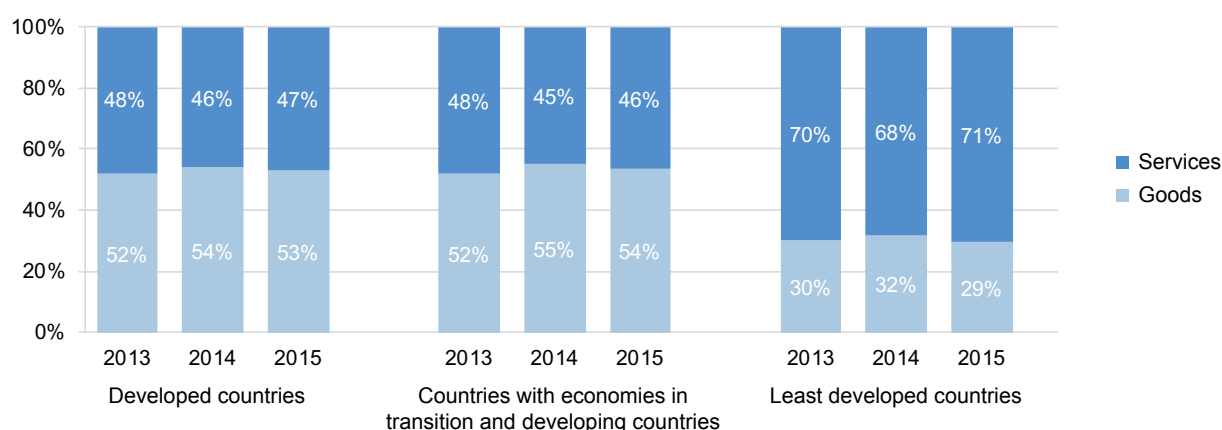
²⁹ For more information on the United Nations Sustainable Development Goals, please visit www.sustainabledevelopment.un.org/sdgs

³⁰ Procurement from unspecified countries was \$43 million in 2015.

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 around 50 per cent over the last three years. For LDCs, the distribution between services and goods has also been consistent at 70/30 per cent; this is due to the fact that the UN procures significantly more services than goods from these countries.

Figure 10

UN procurement of goods and services from developed countries, countries with economies in transition and developing countries, and LDCs, 2013-2015
(in percentage)

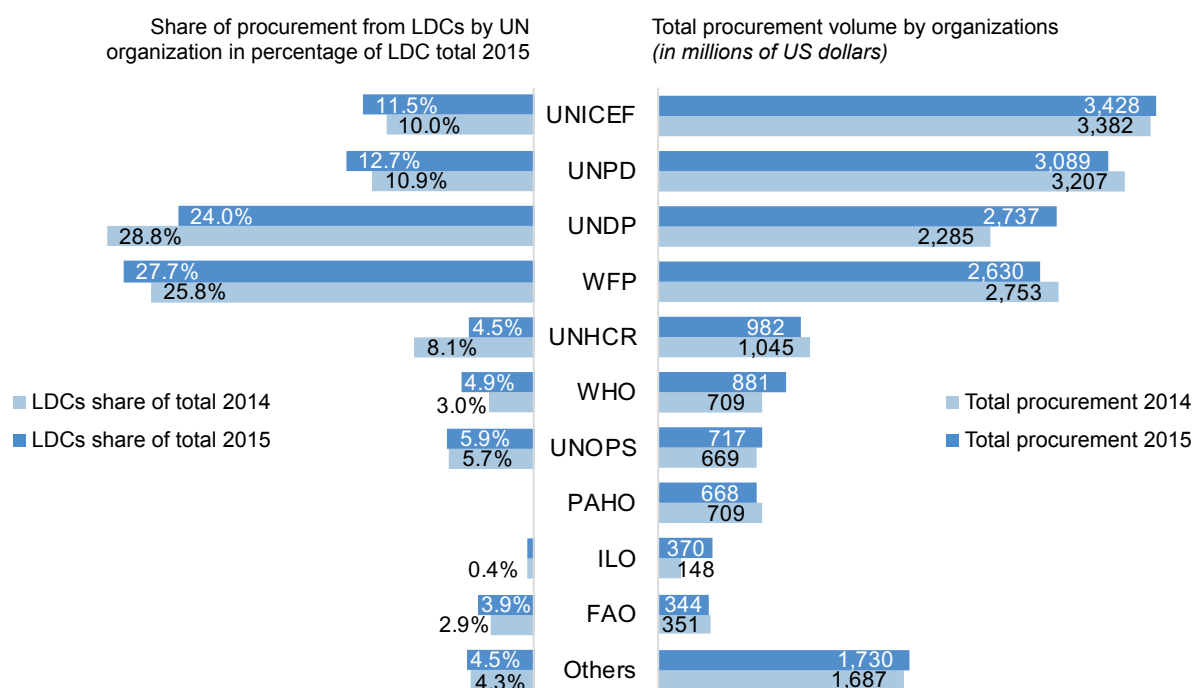


Procurement from countries with economies in transition, developing countries and LDCs combined, by largest UN organizations

Figure 11 displays the top ten procurement volumes among UN organizations in 2015³¹, including procurement from LDCs as a share of total procurement volume in 2014 and 2015. Organizations are listed in descending order by total procurement volume in 2015.

Figure 11

Procurement by top ten organizations of the UN system from LDCs in 2015



³¹ Ranking is based on the individual organizations procurement volume in relation to the total UN procurement volume, 2015.

Together, this top ten represented 90.2 per cent of overall procurement volume of the UN system in 2015 and 95.5 per cent of the UN system's procurement from LDCs. Procurement from LDCs decreased by \$266 million from the top ten organizations compared to 2014.

Country group procurement by category

In 2015, UN organizations reported 34 per cent of their procurement volume on a United Nations Standard Products and Services Code® (UNSPSC®) segment level, with remaining 66 per cent reported on family level or lower, which provides further details into the categories of goods and services procured. In all, procurement was reported against all 57 UNSPSC® segments and 361 families, out of a possible 466 families.³²

Figure 12 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 89 per cent. Procurement from countries with economies in transition and developing countries follows a comparable distribution, where services and end-use products together made up 81 per cent of total volume. For LDCs, procurement of end-use products has a significantly smaller share of the total volume compared to both the other two country groups. Furthermore, the share of procurement of raw material and services is higher compared to the other country groups.

Figure 12

UN procurement of goods and services from developed countries, countries with economies in transition and developing countries, and LDCs, 2013-2015 (in percentage)

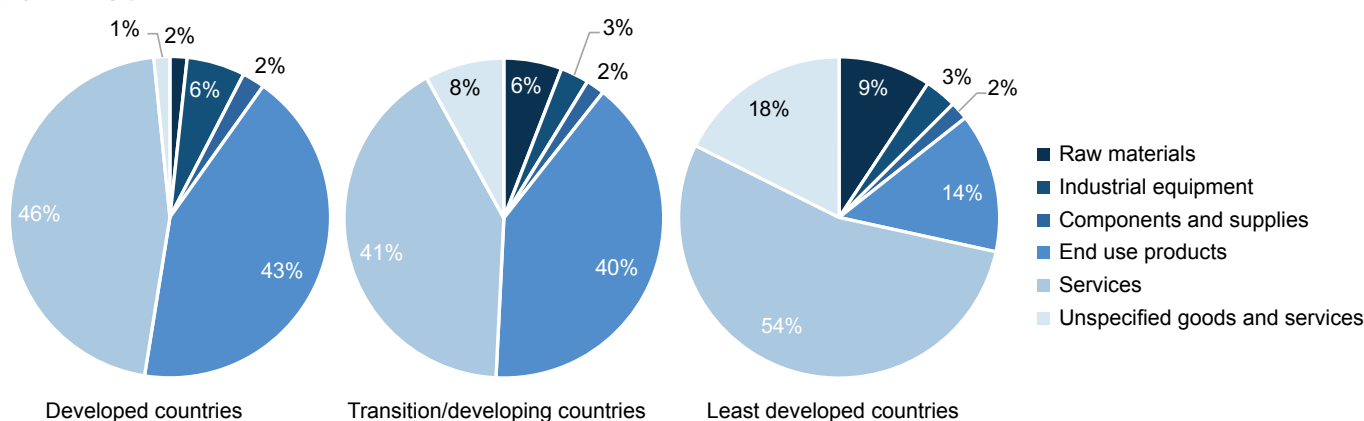


Figure 13 shows the distribution of 46 UNSPSC® family categories, each accounting for \$50 million and more of the UN's total procurement volume in 2015³³. At this more detailed family level, a few categories stand out with a particularly high share of procurement from developed countries or countries with economies in transition and developing countries, and LDCs.

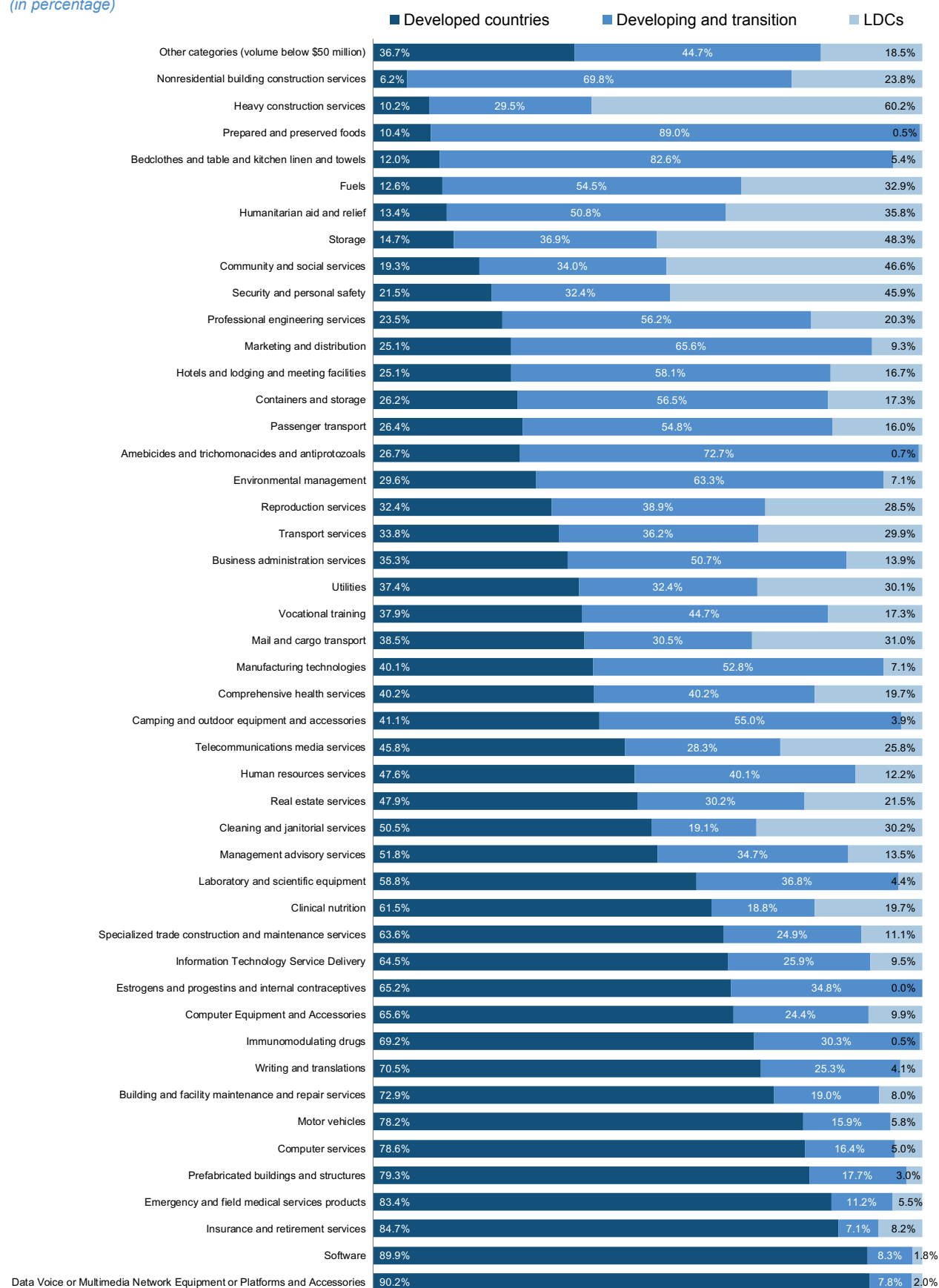
Of the 46 UNSPSC® family categories displayed, 18 have more than 50 per cent of their total volume originating from developed countries. Fifteen of the UNSPSC® family categories have more than 50 per cent of their procurement volume from both developing countries and countries with economies in transition, and a total of 28 UNSPSC® family categories have more than half of their total procurement volume coming from countries with economies in transition, developing countries and LDCs combined.

³² UNSPSC® Segment is the highest level of the category hierarchy, with Family representing the next highest level. In all, UNSPSC® has four hierarchy levels.

³³ Remaining 315 family categories had a procurement volume below \$50 million in 2015.

Figure 13

Distribution of procurement between developed countries, countries with economies in transition and developing countries, and LDCs by largest³⁶ UNSPSC® family categories (in percentage)



³⁶ Volume above \$50 million

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 their favour 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 the 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 9-13 May 2011. The current list of LDCs includes 48 countries³⁴, 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.

Table 3

LDCs supplying UN organizations in 2015
(in millions of US dollars and percentage)

Least developed countries	Goods	Services	Total	% of total
Afghanistan	47.8	580.2	628.0	3.57%
Ethiopia	97.8	225.8	323.6	1.84%
Sudan	170.4	115.9	286.3	1.63%
South Sudan	39.7	159.3	199.0	1.13%
Uganda	45.7	79.0	124.7	0.71%
Mali	35.5	87.0	122.5	0.70%
Democratic Republic of the Congo	37.0	79.2	116.2	0.66%
Liberia	39.7	56.9	96.6	0.55%
Yemen	24.6	60.1	84.6	0.48%
United Republic of Tanzania	28.9	43.5	72.4	0.41%
Somalia	13.3	58.5	71.8	0.41%
Chad	15.9	50.7	66.6	0.38%
Nepal	17.8	48.7	66.5	0.38%
Guinea	14.6	50.6	65.2	0.37%
Senegal	17.8	46.9	64.7	0.37%
Sierra Leone	18.3	43.2	61.5	0.35%
Niger	31.3	26.5	57.9	0.33%
Haiti	15.6	40.7	56.2	0.32%
Bangladesh	15.9	39.6	55.6	0.32%
Myanmar	26.2	27.8	54.0	0.31%
Malawi	23.5	27.7	51.2	0.29%
Burkina Faso	16.5	22.8	39.2	0.22%
Central African Republic	18.8	18.8	37.6	0.21%
Zambia	20.0	16.1	36.2	0.21%
Rwanda	15.3	16.7	32.0	0.18%
Madagascar	12.8	16.8	29.6	0.17%
Burundi	11.3	17.3	28.7	0.16%
Mozambique	8.9	18.6	27.5	0.16%
Djibouti	2.5	23.1	25.7	0.15%
Benin	6.2	14.6	20.8	0.12%
Cambodia	3.6	15.2	18.9	0.11%
Lao People's Democratic Republic	4.1	11.2	15.3	0.09%
Mauritania	3.9	9.7	13.6	0.08%
Guinea-Bissau	2.5	7.8	10.4	0.06%
Togo	1.5	8.1	9.6	0.05%
Gambia	2.0	6.0	8.0	0.05%
Eritrea	2.1	5.8	8.0	0.05%
Lesotho	1.4	5.5	6.8	0.04%
Timor-Leste	1.3	4.8	6.1	0.03%
Angola	1.4	4.6	5.9	0.03%
Comoros	1.5	4.3	5.9	0.03%
Equatorial Guinea	1.4	2.8	4.2	0.02%
Solomon Islands	1.3	2.2	3.5	0.02%
Vanuatu	0.4	2.9	3.3	0.02%
Bhutan	1.5	1.3	2.9	0.02%
Sao Tome and Principe	0.5	1.9	2.5	0.01%
Kiribati	0.1	0.7	0.7	0.00%
Tuvalu	0.0	0.5	0.5	0.00%
Least developed countries	920.18	2,208.12	3,128.31	17.80%
Grand total	8,620.06	8,955.24	17,575.30	

³⁴ For list of the 48 countries, please see Annex III

In total, the UN system's procurement of goods and services from LDCs represented 17.8 per cent of overall UN procurement volume in 2015 (Table 3). The largest countries in terms of supply to the UN are Afghanistan, Ethiopia and Sudan. For more information on what the UN procured from these countries, please see the country profile pages for the respective country³⁵.

A further analysis of the ten largest categories of goods and services procured from LDCs (Table 4), shows that the largest procurement volume of services in these countries is: cargo and passenger transportation (11 per cent); building and maintenance services (4 per cent); and management and admin services (3 per cent). Procurement of goods from LDCs is mainly focused on fuels (3 per cent) and medical equipment (1 per cent)

Table 4

Top ten goods and services procured by the UN system from LDCs in 2015
(in percentage)

Procurement from LDCs Top 10 categories	Total	% of LDC total
Transportation and storage services	329.4	10.53%
Building and maintenance services	128.3	4.10%
Fuels and lubricants etc.	91.1	2.91%
Management and admin. services	88.4	2.83%
Food and beverage products	73.7	2.36%
Engineering and research services	63.3	2.02%
Healthcare services	62.8	2.01%
Politics and Civic affairs services	62.5	2.00%
Public order and security services	58.5	1.87%
Medical equipment	43.8	1.40%
Top 10 total	1,001.7	32.02%
Grand total LDC	3,128.3	

³⁵ Available at www.ungm.org/public/asr