



**Executive Board of the
United Nations Development
Programme, the United Nations
Population Fund and the
United Nations Office for
Project Services**

Distr.: General
3 July 2017

Original: English

Second regular session 2017

5-11 September 2017, New York

Item 11 of the provisional agenda

United Nations Office for Project Services

Annual statistical report on the procurement activities of the United Nations system, 2016

Goods and services

Executive Summary

The Executive Director of UNOPS submits the present report on United Nations system procurement data to the Executive Board pursuant to its decision 2007/38. The complete report may be obtained in the language of submission from the Executive Board secretariat and at the United Nations Global Marketplace website. The report provides details of United Nations system procurement by country of supply.

Total United Nations system procurement during 2016, under all sources of funding, was \$17.7 billion, which represents an increase of \$137 million, or 0.8 per cent, over the previous year. The share of procurement from countries with economies in transition, developing countries and least developed countries was 58.5 per cent of the total volume, while the procurement volume from least developed countries totalled \$2.4 billion in 2016.

The complete 2016 report contains:

- (a) a trend analysis of United Nations procurement by goods and services, countries of supply, United Nations organizations, and segment of goods and services;
- (b) a discussion of sustainable procurement in the United Nations system;
- (c) an analysis of United Nations orders placed with suppliers that are signatories to the Global Compact of the United Nations;
- (d) an analysis of United Nations procurement from suppliers in countries with economies in transition, developing countries, and least developed countries;
- (e) an analysis of United Nations procurement by sector and categories of goods and services;
- (f) an analysis of collaborative procurement between United Nations organizations (new);
- (g) tables listing combined United Nations system procurement, by country of supply;
- (h) charts displaying procurement by the respective United Nations organizations;
- (i) a comparative analysis of the share of goods and services categories procured by each organization;
- (j) a summary of procurement from countries that are members of the Development Assistance Committee of the Organization for Economic Cooperation and Development;
- (k) a summary of procurement from the top 20 developing countries and countries with economies in transition;
- (l) a summary of procurement for all participating United Nations organizations;
- (m) a summary of procurement from all United Nations member states, contained in the online version of the report; and
- (n) a section covering major goods and services (over \$30,000) procured by the respective United Nations organizations.

An online version of the annual statistical report on the procurement activities of the United Nations system, with 4 years of statistics (2013-2016), is available at www.ungm.org/public/asr.

Elements of a decision

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



Contents

<i>Chapter</i>	<i>Page</i>
I. Introduction	3
II. Total procurement of goods and services for operational activities of the United Nations system	3
III. Countries of supply to the United Nations in 2016	5
IV. Ten major countries of supply to the United Nations in 2016	5
V. Procurement volume by region of supplier in 2016	6
VI. Procurement from countries with economies in transition, developing countries and least developed countries ...	7
VII. Top 20 countries with economies in transition, developing countries and least developed countries supplying United Nations organizations	10
VIII. Procurement by organizations of the United Nations system in 2015 and 2016	12
IX. Procurement from countries with economies in transition, developing countries and least developed countries .	13
X. Segments of goods and services procured from developed countries, developing countries and countries with economies in transition	13
XI. Procurement by sectors and categories of goods and services	15
XII. Collaborative procurement within the United Nations system	16
Annex.	
Acronyms and abbreviations used in figures and tables	20

I. Introduction

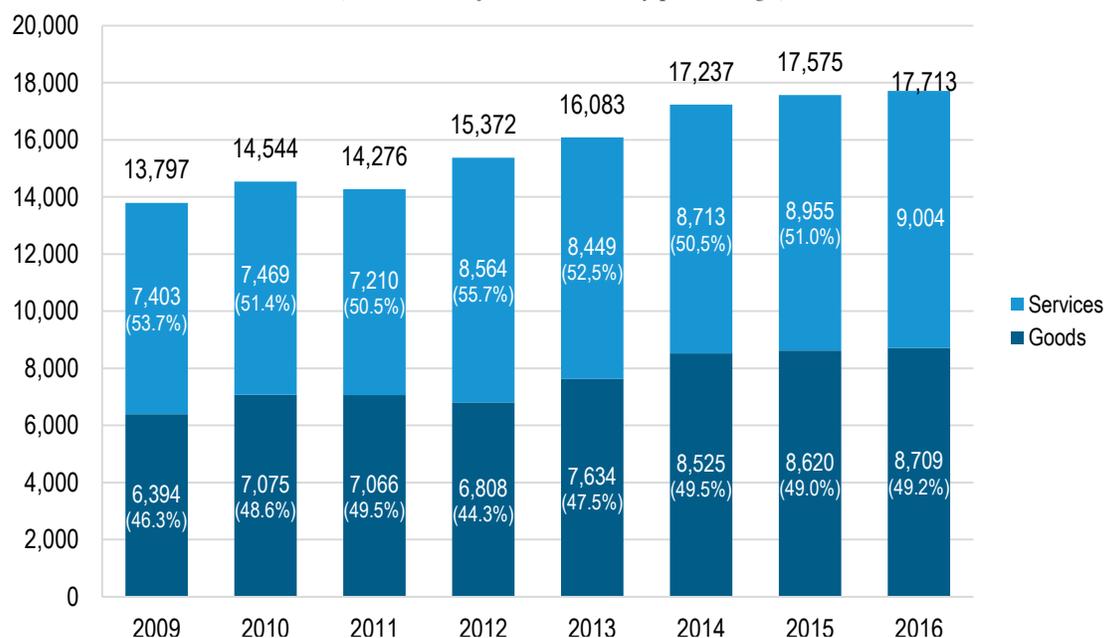
1. UNOPS is pleased to be responsible for collecting and compiling system-wide procurement data on behalf of the United Nations system.
2. The 2016 annual statistical report analyses procurement from countries with economies in transition, developing countries, and least developed countries, and examines the performance of the United Nations system, in response to General Assembly resolution 57/279, which encouraged United Nations organizations to increase opportunities for suppliers from such countries.
3. The report compiles information supplied by 39 United Nations organizations. UNOPS relies on the cooperation of the participating entities in compiling and reporting these statistics.
4. The categorization of countries and territories used in the report adheres to that used by the Statistics Division, Department of Economic and Social Affairs of the United Nations. The report uses the following designations: least developed countries; developing countries; countries with economies in transition; and developed countries. The designations ‘least developed’, ‘developing’, ‘in transition’, and ‘developed’ are used for statistical convenience and do not express a judgment about the stage reached by a particular country or area in the development process.
5. The data in the ‘goods’ category is based on country of supplier; the data in the ‘services’ category is based on country of contractor. Purchase orders and contracts for services are reported by contract amount rather than by expenditures incurred. Many United Nations organizations cannot at the present time report data based on country of origin of goods, or on actual expenditures.
6. In addition to purchase order data, the annual statistical report has in previous years reported on the national implementation modality – a distinct activity of the UNDP. As of 2016, the report no longer includes that information, in order to improve the quality and comparability of procurement data across all organizations. The effects of the removal of national implementation modality data from the report can be seen in certain analyses regarding least developed countries where the national implementation modality was used predominantly, as well as in the United Nations Standard Products and Services Code ‘unspecified goods and services’ categories where, in both cases, there was a decrease in volume between 2015 and 2016. The removal of national implementation modality data does not mean that UNDP reduced its procurement volume between 2015 and 2016. A comparison between the two years of non-national implementation engagements shows that the organization increased its procurement volume by 16.6 per cent in 2016. More information on the national implementation modality can be found in annex IV of the online version of this report.

II. Total procurement of goods and services for operational activities of the United Nations system

7. The overall procurement volume (goods and services combined) of United Nations organizations increased in 2016 by 0.8 per cent¹ to \$17.7 billion, from \$17.6 billion in 2015 (figure 1).

¹ Thirty-nine United Nations organizations reported procurement statistics in 2016, compared to 36 in 2015. The change in participating organizations represents a net value change of \$537.8 million of the total procurement volume, of which the IOM volume was \$522.5 million, placing the new organization among the top 10 in procurement volume. The extraction of UNDP national implementation data caused a decrease of \$1.1 billion this year. Excluding the new organizations and UNDP national implementation data from 2015 and 2016, the adjusted increase of total procurement for the United Nations system in 2016 was 5.4 per cent, or \$880 million.

Figure 1. Total procurement of goods and services, 2009-2016
(in millions of dollars, and by percentage)



8. The increase in overall procurement volume from 2015 to 2016 is mainly attributable to a rise in volume from four organizations² – the World Food Programme (WFP), UNDP³, the Office of the United Nations High Commissioner for Refugees (UNHCR) and UNOPS – together with the new addition to the United Nations system, the International Organization for Migration (IOM), which reported to the annual statistical review for the first time this year. At the same time, some agencies experienced a drop in procurement compared to last year, with the International Labour Organization (ILO) and the World Health Organization (WHO) having the biggest impact on overall procurement volume⁴.

9. The increase in procurement for WFP was driven entirely by an increase in food procurement related to level 3⁵ emergencies, particularly the increase in deliveries to the South Africa region as a result of the El Niño-induced drought, and the activation of the level 3 emergency in Nigeria. UNDP experienced a more general increase, with management and administrative services increasing slightly more than other categories. For UNHCR, the increase was mainly attributable to the refugee crisis and expanded purchases of tents, health-care services, and construction materials and services. For UNOPS the main drivers were an infrastructure project in Peru, security and safety services (peacekeeping and disarmament), and pharmaceuticals.

² WFP had an increase of \$332.4 million; UNDP had an increase of \$241.2 million (excluding national implementation data); UNHCR had an increase of \$198.2 million; and the UNOPS increase was \$183.2 million.

³ UNDP had an increase of \$241.2 million excluding national implementation data in 2015 and 2016. The reported value dropped by \$1 billion in 2016 compared to 2015, which included national implementation data.

⁴ The ILO volume was exceptionally high last year due to Geneva headquarters renovations, which may correlate as a \$162.7 million drop in volume in 2016. WHO experienced a drop of 14 per cent in its procurement volume, reducing the United Nations total by \$124.3 million in 2016

⁵ Level 3 is the UN classification for the most severe, large-scale humanitarian crises. More information can be found at <https://www.wfpusa.org/articles/understanding-l3-emergencies/>.

10. Since 2009⁶, the procurement of services by the United Nations system has exceeded its procurement of goods, which continued to be evident in 2016. In 2016, the total procurement of goods increased by \$88.9 million, an increase of 1 per cent⁷, while total procurement of services increased by \$48.4 million, up by 0.5 per cent⁸.

III. Countries of supply to the United Nations in 2016

11. In 2016, the United Nations system procured goods and services from 221 different countries and territories, 122 of which had an annual procurement volume of more than \$10 million each that year.

IV. Ten major countries of supply to the United Nations in 2016

12. The 10 major countries supplying United Nations organizations in 2016 represented 44.6 per cent of total United Nations procurement volume, down from 44.8 per cent in 2015. This included three developing countries (India, the United Arab Emirates and Turkey) in 2016, with a joint procurement of \$2.58 billion, accounting for 32.7 per cent of the top 10 countries total procurement (table 1).

Table 1. Top 10 countries supplying the United Nations system in 2016
(in millions of dollars, and by percentage of overall procurement volume)

Countries	Goods	Services	Total	% of total
United States of America	700.63	885.36	1,585.99	8.95%
India	902.59	161.97	1,064.55	6.01%
Belgium	833.20	72.77	905.97	5.11%
United Arab Emirates	725.00	143.83	868.83	4.91%
Denmark	247.92	490.70	738.62	4.17%
Turkey	574.49	74.55	649.04	3.66%
France	407.84	201.63	609.48	3.44%
United Kingdom of Great Britain and Northern Ireland	185.29	420.20	605.49	3.42%
Switzerland	98.25	342.37	440.61	2.49%
Netherlands	338.22	90.03	428.25	2.42%
Top 10 total	5,013.42	2,883.41	7,896.83	44.58%
Grand total	8,708.92	9,003.61	17,712.53	100%

13. Turkey was among the top 10 supplier countries for the first time in 2016, with a procurement volume of \$649 million, representing 3.7 per cent of total United Nations procurement. The United Nations system more than doubled its procurement from Turkey in 2016 compared to 2015, with an increase of 105 per cent, driven primarily by procurement from WFP and UNHCR. Eighty-three per cent of the increase is due to higher food purchases from WFP, and 13 per cent represents UNHCR procurement in

⁶ Source: annual statistical report, 2009-2016

⁷ The adjusted increase (removing national implementation data from the 2015 data) was 4.6 per cent, or \$384.7 million.

⁸ The adjusted increase (removing national implementation data from the 2015 data) was 13.0 per cent, or \$1.033 billion.

management and administration services, and shelter equipment. Turkey provides up to 76 per cent of United Nations food procurement. Other categories procured from Turkey are management and administrative services, clothing and footwear, and shelter equipment.

14. The United Arab Emirates has featured as a top 10 supplier country since 2013 and despite a \$63.7 million increase in procurement volume in 2016, it has dropped from third in 2015 to the fourth-placed country to supply the United Nations. The share of total procurement for the United Arab Emirates increased from 4.6 per cent in 2015 to 4.9 per cent in 2016. The main categories procured from the United Arab Emirates are food products, fuel, shelter equipment, and construction services. Goods and services from the United Arab Emirates were procured primarily by the United Nations Procurement Division, UNHCR, WFP, UNDP and the United Nations Children's Fund (UNICEF). Most of the increase in 2016 is due to expanded purchases of shelter equipment by UNHCR.

15. India has been a top 10 supplier country since 2000, and maintains its position as the second-placed country to supply the United Nations in 2016, as has been the case since 2012. The procurement volume and share of total procurement, however, have dropped from \$1.3 billion and 7.3 per cent in 2015 to \$1.1 billion and 6 per cent of total United Nations procurement in 2016. The decrease in procurement is attributable to a decrease in pharmaceuticals, which represents 97 per cent of the drop. India continues to be the main supplier of health products and services to the United Nations system, with \$803.79 million in the health sector in 2016; pharmaceuticals continue to be the main procurement category for India. Procurement from India also included food, management services and medical equipment and supplies. Goods and services from India were procured primarily by UNICEF, the Pan American Health Organization, UNDP and WFP.

16. Afghanistan, for the first time since 2004, is not among the top 10 countries supplying the United Nations system in 2016. This is due almost entirely (98 per cent) to the exclusion of UNDP nationally implemented engagements.

V. Procurement volume by region of supplier in 2016

17. Figure 2 shows the distribution of supplier countries by region, and clearly indicates that most of the United Nations procurement is from suppliers in Asia and Europe. Those two regions have also shown the largest growth in the past four years.

18. In Asia, the increase is driven mainly by procurement from suppliers in Turkey, the United Arab Emirates, Iraq, the Republic of Korea, and Jordan. The countries that contributed the most to the growth in 2016 were Turkey and Jordan, although half of the total increase for the Asia region in 2016 resulted from an increase in procurement by the WFP from unspecified Asian countries.

19. There has been a general increase in procurement from suppliers in Europe over the last four years, with a slightly larger increase from suppliers in Northern European countries. The increase in 2016 is driven entirely by procurement by the United Nations Procurement Division from suppliers in Denmark and the United Kingdom of Great Britain and Northern Ireland. The increase in Denmark was mainly in the category of security and safety services, while in the United Kingdom, it was in the categories of office machines and specialized trade construction.

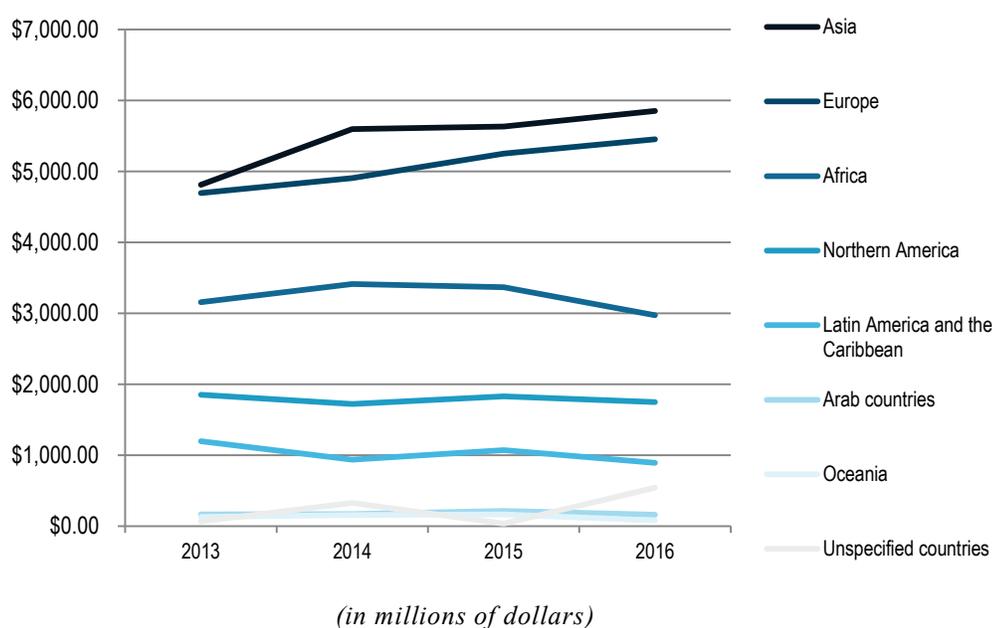
20. The third largest region of supply is Africa, which had an increase in 2014 and 2015, but showed a decrease in its supply to the United Nations system in 2016⁹.

⁹ 36.8 per cent of the decrease in 2016 is attributable to the changes in reporting methodology, where UNDP national implementation

Forty-four per cent of that decrease was due to a drop in procurement from Sudan, mainly from WFP, which ceased all food and transportation procurement from the country. Another contributing factor was a decrease in fuels procurement from the Procurement Division. A decrease in procurement from Ethiopia accounted for 27 per cent of the total decrease in the region, again due to a decrease from WFP and the Procurement Division, both in the transportation category. The same organizations also had decreases in procurement from Liberia and Kenya, contributing to the overall drop in 2016.

21. Procurement from Northern American suppliers has been stable at just under \$2 billion annually over the last four years, and procurement from suppliers in Latin America and the Caribbean has fluctuated around the \$1 billion mark annually during the same period. Arab country and Oceania suppliers have been stable, with a volume between \$100 million and \$200 million.

Figure 2. United Nations procurement by region, 2013-2016



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

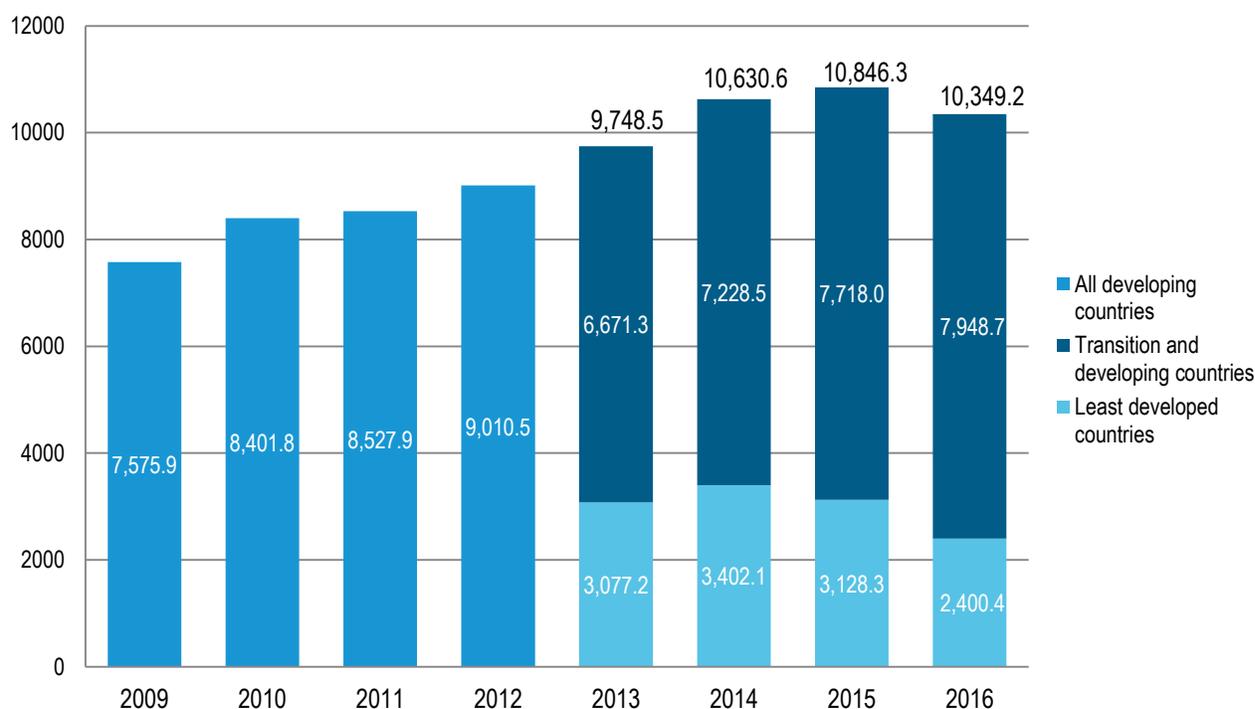
22. United Nations organizations have been working to increase procurement from developing countries and economies in transition since the late 1990s, an effort intensified by General Assembly resolution 57/279 on procurement reform, which encourages the organizations to increase opportunities for suppliers from developing countries and economies in transition. The request was reiterated in 2007 by General Assembly resolution 61/246; in response, and United Nations organizations have placed more orders with these countries year-on-year¹⁰.

data is no longer included. Even without that change in reporting, the decrease in the Africa region brings the 2016 procurement volume for Africa down below the initial volume in 2013.

¹⁰ Source: annual statistical reports, 2009-2016

23. The procurement volume from countries with economies in transition, developing countries and least developed countries continued to increase in 2016. The adjusted totals, excluding UNDP nationally implemented engagements data from the analysis in the years prior to 2016, show that the actual increase from developing economies was \$706.5 million. The drop shown in figure 3, to \$10.3 billion, is due entirely to the exclusion of UNDP nationally implemented engagements in 2016, as 92.2 per cent of the data is related to economies in transition, developing and least developed countries. The cumulative increase in procurement volume from developing countries after 2009¹¹ was 36.6 per cent. In comparison, the cumulative increase in procurement volume from developed countries was 12.3 per cent for the same period.

Figure 3. United Nations procurement from countries with economies in transition, developing countries and least developed countries, 2009-2016¹²
(in millions of dollars)



24. In 2016, procurement from countries with economies in transition, developing countries and least developed countries represented 58.5 per cent¹³ of the total procurement volume, a decrease from 61.7 per cent in 2015¹⁴. Procurement volume from least developed countries was \$2.4 billion in 2016, indicating that almost \$14 of every \$100 of procurement by United Nations organizations is from a supplier in a least developed country. Procurement from unspecified countries increased

¹¹ Source: annual statistical reports, 2009 to 2016

¹² Total values split between least developed countries, countries with economies in transition and developing countries, from 2013 and 2016, where this detailing was available in the annual statistical reports data

¹³ 13.6 per cent and 44.9 per cent from least developed countries and developing countries, respectively.

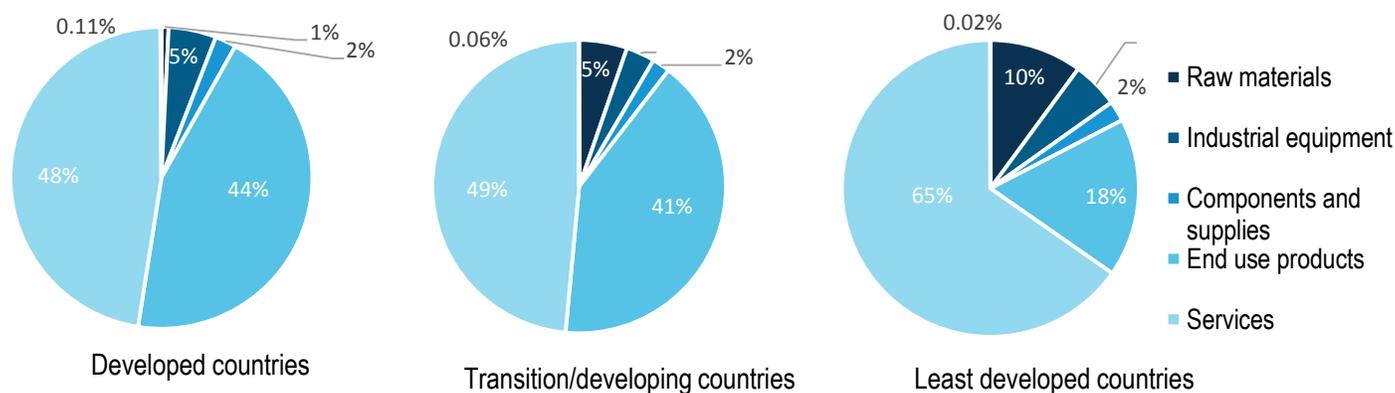
¹⁴ Excluding national implementation modality data from 2015 data, the share of developing countries was 59.2 per cent in 2015.

significantly¹⁵ in 2016, to \$544.0 million, since the new organization, IOM, was unable to report on vendor countries.

25. In 2016, the United Nations organizations reported 29 per cent of their procurement volume on a United Nations Standard Products and Services Code '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, where 66 per cent of the procurement data was reported at a more detailed level and 34 per cent at a segment level. Overall, procurement was reported against all 57 segments, and 380 families out of a possible 486¹⁶.

26. Figure 4¹⁷ looks at United Nations system procurement volume at a 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 least developed countries, procurement of end-use products have a significantly smaller share of the total volume (18 per cent) compared to each of the other country groups, while the share of procurement of raw material and services is higher compared to those groups.

Figure 4. Procurement from developed countries, countries with economies in transition, developing countries and least developed countries, by United Nations Standard Products and Services Code groups, in 2016 (by percentage)



¹⁵ \$35.8 million in 2015

¹⁶ The United Nations Standard Products and Services Code 'segment' is the highest level of the category, with 'family' representing the second highest level. In all, the Code has four hierarchy levels.

¹⁷ Comparing the figure to last year, the share of unspecified goods and services is significantly lower for all groups, due to the extraction of UNDP nationally implemented engagements this year.

VII. Top 20 countries with economies in transition, developing countries and least developed countries supplying United Nations organizations

27. Procurement of goods and services from the top 20 countries with economies in transition, developing countries and least developed countries represented 36 per cent of overall United Nations procurement volume, a decrease of 2.9 percentage points from the previous year¹⁸.

¹⁸ Excluding nationally implemented engagements from 2015 data, the share of the top 20 was 37.8 per cent in 2015, and the decrease only 1.8 percentage points

Table 2. Top 20 countries with economies in transition, developing countries and least developed countries supplying United Nations organizations in 2016
(in millions of dollars and by percentage)

Countries	Goods	Services	Total	% of total
India	902.59	161.97	1,064.55	6.01%
United Arab Emirates	725.00	143.83	868.83	4.91%
Turkey	574.49	74.55	649.04	3.66%
Kenya	139.32	255.28	394.60	2.23%
Russian Federation	78.87	248.76	327.63	1.85%
Jordan	103.73	209.85	313.58	1.77%
Lebanon	95.33	195.25	290.57	1.64%
Ethiopia	93.73	155.41	249.13	1.41%
China	158.77	69.82	228.58	1.29%
Republic of Korea	187.94	27.18	215.12	1.21%
Iraq	90.98	115.29	206.27	1.16%
Pakistan	88.64	106.72	195.36	1.10%
South Africa	42.28	151.37	193.65	1.09%
Peru	18.02	175.28	193.30	1.09%
Afghanistan	60.80	128.36	189.16	1.07%
South Sudan	54.60	124.07	178.66	1.01%
Sudan	117.42	58.77	176.19	0.99%
Ukraine	54.10	100.33	154.43	0.87%
Democratic Republic of the Congo	39.30	105.40	144.69	0.82%
Panama	121.38	22.19	143.57	0.81%
Top 20	3,747.26	2,629.67	6,376.93	36.00%
Grand total	8,708.92	9,003.61	17,712.53	100%

28. Turkey experienced an increase of 105 per cent over its 2015 procurement volume, driven by an increase in food procurement by WFP, as indicated previously. Jordan, Peru and Iraq also had big increases (49.2, 48.2 and 33.4 per cent, respectively) over their 2015 volumes. The increase in procurement from Jordan was due mainly to an increase in procurement by UNICEF, WFP and UNHCR, for which the main categories were building and construction services, management and administration services, and food. The increase experienced by Peru in 2016 was entirely dependent on an increase in building and construction services by UNOPS, related to one infrastructure project. The increase in Iraq was related primarily to an increase in building and construction services procured by UNDP.

29. Some countries showed decreases in procurement in 2016 (table 2). Due to changes in reporting methodology¹⁹, Afghanistan ranked 15th in 2016, compared to 3rd in 2015. Procurement from Sudan in 2016 showed a decrease of 38 per cent²⁰, the majority of which was due to a decrease in procurement of transportation services and food by WFP. Another contributing factor was a decrease in fuels procurement by the United Nations Procurement Division. Procurement from Ethiopia also showed a large decrease in 2016, with a drop in procurement volume of 21.3 per cent since 2015²¹,

¹⁹ The removal of UNDP nationally implemented engagements

²⁰ The decrease is calculated excluding the decrease due to the removal of UNDP nationally implemented engagements.

²¹ See footnote 20.

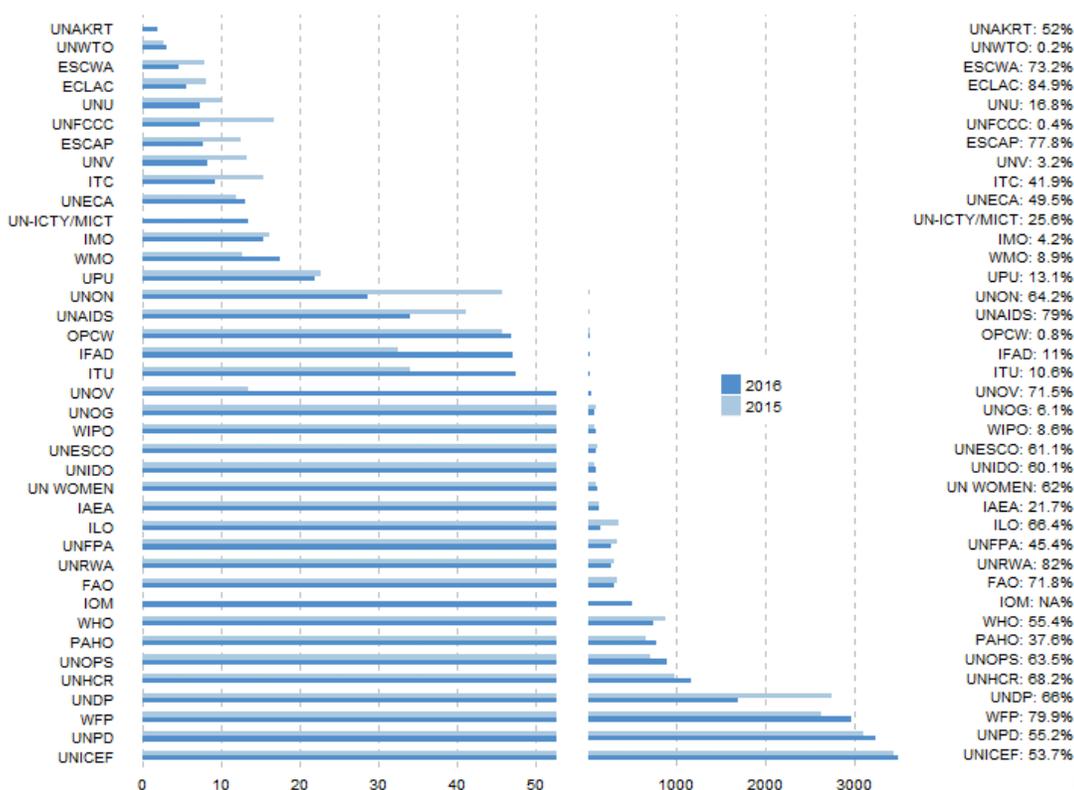
due mainly to decreased procurement of transportation services from WFP and the Procurement Division.

VIII. Procurement by organizations of the United Nations system in 2015 and 2016

30. Figure 5 shows the procurement volume of United Nations organizations in 2015 and 2016, and includes the percentage share of procurement from countries with economies in transition, developing countries and least developed countries²².

31. Although the total procurement of the United Nations system has increased by \$137.2 million in 2016²³, 18 of the 39 reporting organizations witnessed a decline in their procurement volume. Six organizations saw their procurement volume increase by more than 20 per cent over their 2015 volume.

Figure 5. Total procurement by United Nations organizations and the share of procurement from developing countries and countries in transition, in 2015 and 2016 (in millions of dollars, and by percentage)



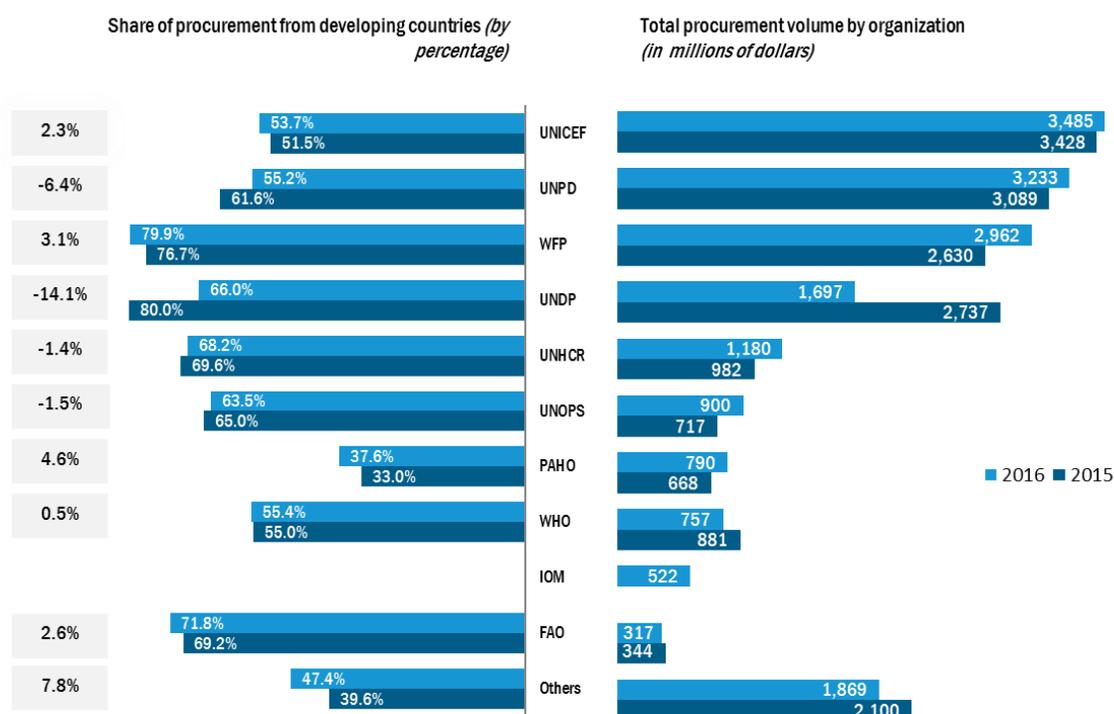
²² The right-hand column shows the percentage of 2016 procurement volume from developing countries and countries with economies in transition.

²³ The adjusted increase for 2016 was \$880 million, calculated as total United Nations increase for 2016 excluding new organizations (IOM, United Nations Assistance to the Khmer Rouge Trials, the International Tribunal for the Former Yugoslavia, the Mechanism for International Criminal Tribunals) and UNDP nationally implemented engagements data in 2015, as inclusion of those volumes would distort the comparison between the years.

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

32. Figure 6 displays the procurement volume of the 10 largest organizations²⁴, which represented 89.4 per cent of the overall procurement volume of the United Nations system²⁵. The figure also shows the 2015 and 2016 share of agency procurement in percentage terms coming from countries with economies in transition, developing countries and least developed countries²⁶. Procurement by the top 10 organizations in these countries increased by \$565.7 million, except for UNDP, which had a decrease of \$1.1 billion due to the removal of nationally implemented engagements information²⁷. Organizations are listed in descending order by total procurement volume in 2016.

Figure 6. Procurement by organizations of the United Nations system from countries with economies in transition, developing countries and least developed countries, in 2015 and 2016



X. Segments of goods and services procured from developed countries, developing countries and countries with economies in transition

33. For the last 10 years, the majority of United Nations system procurement has come from suppliers in countries with developing economies. The following category analysis provides an overview of the distribution of categories of goods and services,

²⁴ In terms of procurement volume

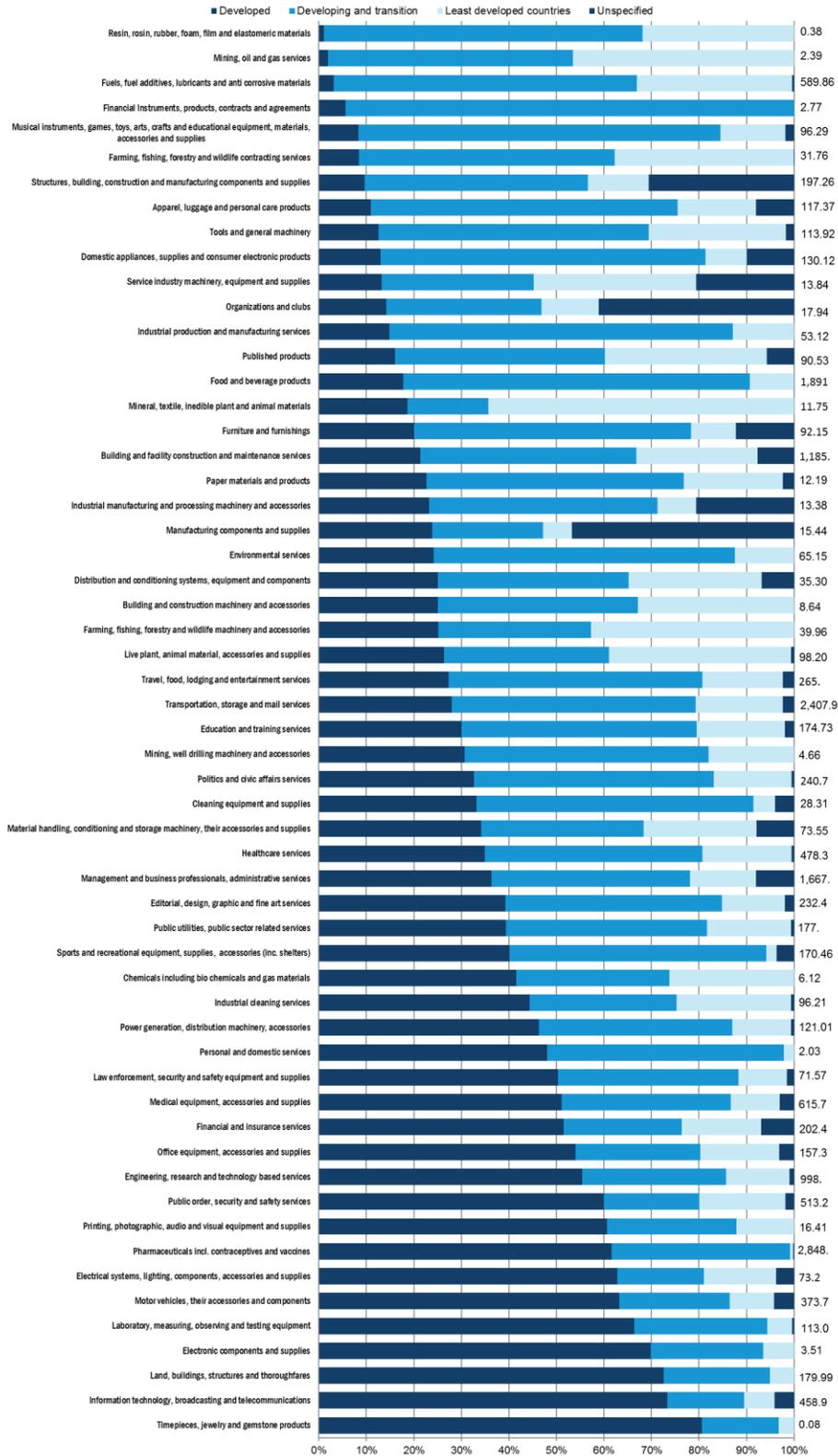
²⁵ A slight decrease from 90.2 per cent in 2015

²⁶ Since IOM was unable to report on vendor countries, it does not show any share of procurement coming from these countries.

²⁷ UNDP had an increase of \$241.2 million (17 per cent) in 2016, if nationally implemented engagements is removed from 2015.

indicating which categories are procured predominantly from developed countries and which from countries with developing economies.

Figure 7. Distribution of categories of goods and services between developed, transition, developing and least developed countries, including 2016 total procurement volume.
(in percentages and by millions of dollars)



34. In 2016, 30 different segments of goods and services were widely procured from countries with developing economies (figure 7). For each of those 30 categories, at least 60 per cent of the procurement volume came from suppliers in countries with economies in transition, developing countries and least developed countries. This represented more than \$5.8 billion of the 2016 procurement volume. Eleven categories had more than 80 per cent of their procurement volume originating from countries with economies in transition, developing countries and least developed countries.

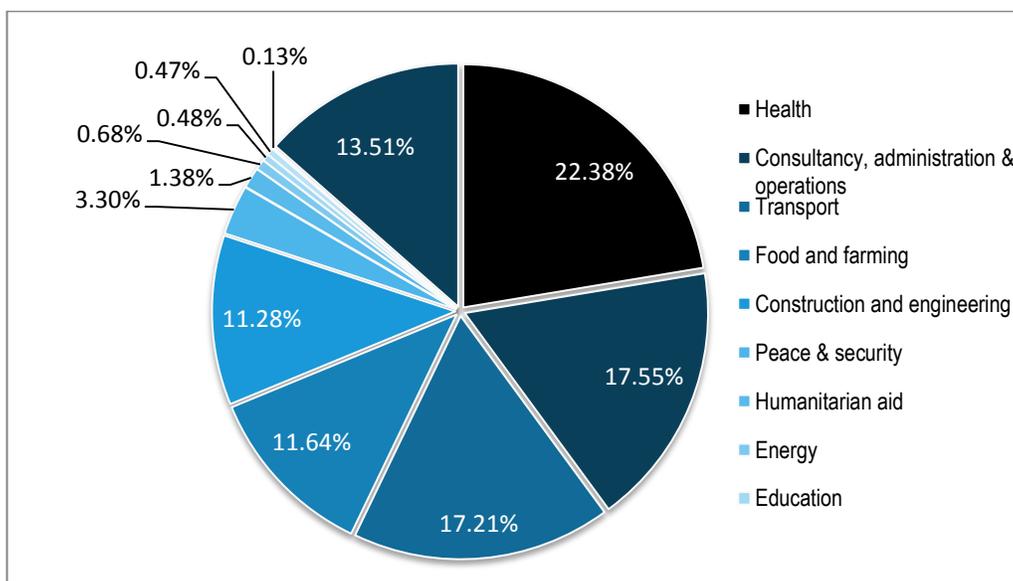
35. In contrast, nine different categories of goods and services were largely procured from countries with developed economies, representing more than \$2.6 billion of the 2016 procurement volume of the United Nations. For each of those nine categories, at least 60 per cent of the procurement volume was from developed countries.

36. The present report shows a larger percentage of procurement from suppliers where the country was not specified. This is due to IOM reporting for the first time this year, as they were unable to provide information on vendor country.

XI. Procurement by sectors and categories of goods and services

37. Procurement of goods and services by the United Nations system fall into a wide variety of categories, which can be grouped into sectors relating to different areas of procurement. The sectors of categories are in line with the focus areas of the United Nations and its procurement operations, and have not changed since 2015. Each sector includes goods and services categories from different United Nations Standard Products and Services Code segments and families. Figure 8 shows the distribution of United Nations system procurement across the largest sectors of goods and services categories.

Figure 8. Distribution of the United Nations procurement by sectors of goods and services, 2016.
(in percentages)



38. In 2016, the health sector continued to be the largest in terms of procurement volume (which includes procurement of pharmaceuticals, health-care services, and

medical and laboratory equipment) with a share of 22.4 per cent of overall procurement in 2016, a decrease of 0.6 percentage points compared to the 2015 share.

39. The second largest sector in 2016 was the consultancy, administration and operations sector, at 17.6 per cent, an increase of 2.6 per cent over the previous year. The sector includes goods and services directly procured in relation to ongoing programmes and projects, and administrative services or operations supporting United Nations activities.

40. The transport sector (transport services and motor vehicles) went from the second-largest sector of procurement for the United Nations system in 2015 to the third largest in 2016, despite an increase from 16.7 to 17.2 per cent of total procurement.

41. Food and farming (food, beverages, live plants and animals, farming accessories and services) increased from 10.1 per cent in 2015 to 11.6 per cent in 2016. This surpassed the construction and engineering sector (construction supplies and services, engineering services, structures), the fifth largest sector, which had a slightly smaller increase, from 10.6 per cent in 2015 to 11.3 per cent in 2016.

42. The sixth sector in 2016 was peace and security, with an increase of 2 percentage points to 3.3 per cent in 2016. This sector and the remaining five (humanitarian aid, climate action, energy, education, and clean water and sanitation) were added to the report in 2015, in an attempt to align with procurement focus areas related to the sustainable development goals. The remaining five sectors together represented approximately 3 per cent of total procurement in 2016.

43. Other goods and services, which cover unspecified procurement categories, represented 13.5 per cent of the total in 2016, compared to 20.5 per cent in 2015; this decrease was attributable to the omission of data on nationally implemented engagements in the present report.

XII. Collaborative procurement within the United Nations system

44. For the first time, the annual statistical report on United Nations procurement reports in 2016 on collaborative procurement within the United Nations system. This chapter reports collectively on the data contributed to the annual statistical report by all participating United Nations organizations and is not related to the report on collaborative procurement presented to the Executive Board on behalf of UNDP, UNFPA, and UNOPS.

45. This chapter was developed in response to General Assembly resolution 71/243 on the quadrennial comprehensive policy review. The resolution calls upon the organizations to further their synergies and inter-agency efforts, and requests that United Nations system entities explore further opportunities for collaborative procurement at the global, regional and country levels. The General Assembly also requested that the organizations record details of the efficiencies achieved through collaborative procurement and report on them in a consolidated format in the annual statistical report on United Nations procurement. The 2016 data will be used as a baseline for reporting on collaborative procurement, aiming to improve the analysis year-on-year based on the availability of data in this area.

46. In 2016, 18 organizations reported collaborative procurement, while 21 were unable to provide information. Collaborative procurement encompasses the following set of activities²⁸: (a) Using existing long-term agreements or contracts of other

²⁸ As defined by the High-Level Committee on Management Procurement Network in the following guidelines: https://www.ungm.org/Areas/Public/Downloads/15_06%20HarmonizingUNProcurement_GUIDELINES_final.pdf.

United Nations organizations; (b) Establishing and using joint long-term agreements through a 'lead agency' approach; (c) Using the procurement services of other United Nations organizations; (d) Other formal collaboration with United Nations partners through: (i) joint procurement unit, or (ii) sharing specifications or developing common specifications.

47. The total volume of collaborative procurement reported in 2016 was \$2.7 billion, representing 15 per cent of the annual United Nations procurement volume. The organization reporting the highest volume of collaborative procurement was UNICEF²⁹, which reported 83.4 per cent of the total collaborative volume for the United Nations in 2016.

48. There are many opportunities for further collaboration between United Nations organizations. Table 3 shows the categories of goods and services, by United Nations Standard Products and Services Code family level, with the highest number of procuring United Nations organizations. The table also indicates the total expenditure for the United Nations system, the reported collaborative procurement volume³⁰, and the number of available long-term agreements for each category. Twenty-two categories are procured by thirty or more United Nations organizations, the top categories being computer services and insurance and retirement services, both procured by 38 of the 39 participating organizations. For computer services, there are 63 long-term agreements available on the United Nations Global Marketplace, while there is only one long-term agreement available on the Global Marketplace for insurance and retirement services. The table also shows four categories where no long-term agreements are currently shared on the Marketplace: real estate services, utilities, specialized trade construction services, and cleaning and janitorial services.

Table 3. Top categories in number of procuring organizations, 2016
(by number of procuring organizations and long-term agreements (LTAs),

²⁹ UNICEF only reported collaborative activities for their goods procurement in 2016. As their procurement of services is more decentralized, collaborative activities are difficult to identify in their enterprise resource planning system.

³⁰ There could potentially be more collaborative procurement done in these categories than what is reported in this column, as this volume is based on the information submitted by only 18 of the 39 participating organizations.

Category, by United Nations Standard Products and Services Code family	Procurement volume	Buying organizations	Reported collaborative procurement	Reported collaborative share of family total	No. of available long-term agreements
Computer services	339.76	38	6.10	1.80%	63
Insurance and retirement services	62.50	38	0.84	1.35%	1
Software	64.15	37	1.04	1.62%	42
Mail and cargo transport	1,009.71	37	11.89	1.18%	12
Computer equipment	196.12	36	5.44	2.77%	9
Building maintenance and repair services	328.45	36	2.14	0.65%	13
Writing and translations	98.83	35	0.82	0.83%	3
Management advisory services	288.62	34	5.58	1.93%	26
Business administration services	551.35	34	2.27	0.41%	10
Real estate services	342.78	33	4.46	1.30%	0
Utilities	88.05	33	1.09	1.24%	0
Hotels, lodging, meeting facilities	132.49	33	1.46	1.10%	29
Telecommunications, media services	73.28	32	1.65	2.25%	4
Multimedia network equipment and accessories	101.42	32	0.98	0.97%	3
Printed media	28.97	32	0.21	0.73%	9
Office supplies	33.87	32	0.23	0.67%	9
Security and personal safety	356.30	32	1.52	0.43%	6
Information technology service delivery	145.14	32	0.40	0.28%	32
Specialized trade construction services	133.44	32	0.29	0.22%	0
Office machines and their supplies	84.15	32	0.18	0.21%	9
Cleaning and janitorial services	80.84	30	0.74	0.92%	0
Transportation maintenance services	34.84	30	0.17	0.49%	1

in millions of dollars and percentages)

49. Table 4 looks at all procurement where a United Nations organization has been identified as the supplying organization. Thirty-five of the 39 organizations contributing procurement data to the annual statistical report have taken part in United Nations-to-United Nations procurement. The table also shows the top eight organizations identified as supplying procurement to other organizations, and how much each of the procuring organizations procured from each of them.

Table 4. Interagency procurement identified, by United Nations procuring organization and supplying organization in 2016.
(in thousands of dollars)

	Supplying United Nations organizations									Total
	UNOPS	UNDP	UNICEF	WFP	ICC	WHO	UNIDO	UNOG	Others	
UNPD	221,815.80	34,732.64	27.42	263.75	-	18.99	-	-	2,333.25	259,191.85
UNDP	9,969.51	-	85,108.68	12,277.48	36.78	6,050.57	-	59.56	11,556.88	125,059.47
UNHCR	386.10	12,144.95	196.89	10,494.55	-	4,450.09	-	11,046.72	18,801.77	57,521.05
WHO	6,965.85	11,450.15	21,710.59	3,082.12	1,825.00	-	-	-	4,432.77	49,466.48
WFP	424.15	18,436.01	2,279.79	-	-	94.32	-	171.20	19,290.36	40,695.83
UNOV	4,887.31	21,171.19	16.46	7.31	-	-	5,991.39	-	433.37	32,507.04
OPCW	30,436.50	-	-	-	98.77	-	-	12.81	54.96	30,603.04
IAEA	4.02	4,539.25	-	-	1,317.00	-	7,890.71	52.36	8,077.23	21,880.57
UNOPS	-	6,692.30	1,880.61	806.86	-	54.35	2.71	-	8,806.97	18,243.80
UNFPA	5,425.79	2,217.48	3,287.69	1,476.55	-	37.89	-	5.00	2,619.64	15,070.05
WIPO	-	622.31	-	-	12,769.95	-	-	166.24	589.43	14,147.92
IFAD	135.60	1,631.21	-	1,546.89	3,533.71	-	-	23.10	4,351.72	11,222.23
IOM	293.02	473.19	406.82	496.99	36.12	0.13	-	112.04	7,209.75	9,028.06
FAO	1,645.94	2,007.33	600.94	654.67	-	364.13	-	85.63	1,465.85	6,824.49
ILO	3,025.52	1,288.07	9.59	87.53	154.49	18.45	-	332.90	1,896.42	6,812.96
UN-Women	672.88	1,098.86	152.45	462.90	-	1,386.19	-	-	1,238.71	5,011.98
UNICEF	8.07	1,887.37	-	1,728.31	-	-	-	-	761.22	4,384.97
UNIDO	138.31	1,419.37	71.67	65.30	-	459.40	-	42.26	2,092.33	4,288.65
UNOG	-	913.11	180.08	2,810.05	-	95.48	-	-	-	3,998.72
UNESCO	93.49	1,737.43	103.83	172.69	-	31.12	80.87	85.22	1,174.85	3,479.52
UNAIDS	5.00	2,411.20	152.69	308.28	-	-	-	17.49	355.68	3,250.34
UNON	25.35	2,389.87	-	392.43	-	29.69	-	-	195.47	3,032.81
ITU	5.95	98.24	-	-	-	1,889.49	-	-	718.15	2,711.83
UNRWA	45.00	62.83	8.55	243.08	-	-	-	-	654.86	1,014.32
ESCAP	-	118.11	659.92	202.19	-	-	-	-	17.54	997.75
ITC	5.00	665.97	-	-	-	-	-	-	45.24	716.20
UN-ICTY/MICT	-	95.37	-	-	-	-	-	-	424.80	520.17
IMO	-	2.76	-	-	-	111.78	-	5.91	188.11	308.55
UPU	114.35	-	-	-	-	-	-	5.72	154.50	274.56
WMO	-	90.86	-	-	-	-	-	88.71	68.33	247.90
UNECA	54.51	180.21	-	-	-	-	-	-	0.00	234.72
ESCWA	-	206.56	-	-	-	-	-	-	4.50	211.06
UNAKRT	26.12	3.00	-	-	-	-	-	-	0.00	29.12
ECLAC	-	4.08	-	-	-	-	-	-	0.00	4.08
UNFCCC	-	-	-	-	-	-	-	-	2.95	2.95
Total	286,609.16	130,791.27	116,854.67	37,579.93	19,771.82	15,092.07	13,965.68	12,312.86	100,017.59	732,995.04

Annex. Acronyms and abbreviations used in figures and tables

ECLAC (CEPAL) – Economic Commission for Latin America and the Caribbean
ESCAP – Economic Commission for Asia and the Pacific
ESCWA – Economic and Social Commission for Western Asia
FAO – Food and Agricultural Organization of the United Nations
IAEA – International Atomic Energy Agency
ICC – Intergovernmental Consultative Committee
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
LDC – least developed country
LTA – long-term agreement
OPCW – Organization for the Prohibition of Chemical Weapons
PAHO – Pan American Health Organization
UNAIDS – Joint United Nations Programme on HIV/AIDS
UNAKRT – United Nations Assistance to the Khmer Rouge Trials
UNECA – United Nations Economic Commission for Africa
UNESCO – United Nations Educational, Scientific and Cultural Organization
UNFCCC – United Nations Framework Convention on Climate Change
UNHCR – United Nations High Commissioner for Refugees
UNICEF – United Nations Children’s Fund
UN-ICTY MICT – United Nations International Criminal Tribunal for the former Yugoslavia, Mechanism for International Criminal Tribunals
UNIDO – United Nations Industrial Development Organization
UNODC – United Nations Office of Drugs and Crime
UNOG – United Nations Office at Geneva
UNON – United Nations Office in Nairobi
UNOV – United Nations Office in Vienna
UNPD – United Nations Procurement Division
UNRWA – United Nations Relief and Works Agency
UNSPSC – United Nations Standard Products and Services Code
UNU – United Nations University
UNV – United Nations Volunteers
UN-Women – United Nations Entity for Gender Equality and the Empowerment of Women
UNWTO – United Nations World Tourism Organization
UPU – Universal Postal Union
WFP – World Food Programme
WHO World Health Organization
WIPO World Intellectual Property Organization
WMO World Meteorological Organization
