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Programme, the United Nations  
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Nations Office for Project Services**

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**Financial, budgetary and administrative matters**

**Annual statistical report on the procurement activities of the  
United Nations system, 2013  
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 on United Nations system procurement by country of supply.

Total United Nations system procurement under all sources of funding during 2013 was \$16.1 billion, which represents an increase of \$711 million, or 4.6 per cent, over the previous year. The share of procurement from developing countries and countries with economies in transition has decreased to 60.8 per cent, a decline of 0.9 of a percentage point.

The complete 2013 report contains:

- (a) A trend analysis of United Nations procurement from developed countries, developing countries, and countries with economies in transition;
- (b) A discussion of sustainable procurement in the United Nations system;
- (c) An analysis of United Nations orders placed with companies that are signatories to the Global Compact of the United Nations;
- (d) Tables listing combined United Nations system procurement, by country of supply;
- (e) A ten-year comparison of the regional distribution of United Nations system procurement;
- (f) Charts displaying procurement by the respective United Nations organizations;
- (g) An analysis of the categories of goods and services procured by the United Nations system;
- (h) A summary of procurement from countries that are members of the Development Assistance Committee of the Organisation for Economic Co-operation and Development;
- (i) A summary of procurement from the top 20 developing countries and countries with economies in transition;
- (j) The top 10 goods and services categories procured by organizations of the United Nations system;
- (k) A comparative analysis of the share of goods and services categories procured by each organization;
- (l) A section covering major goods and services categories (over \$30,000) procured; and
- (m) A supplement on using innovative solutions in procurement.

*Elements of a decision*

The Executive Board may wish to take note of the present report and welcome the data and analysis it contains, as well as the relevance of the thematic supplement on implementing innovative solutions in procurement.



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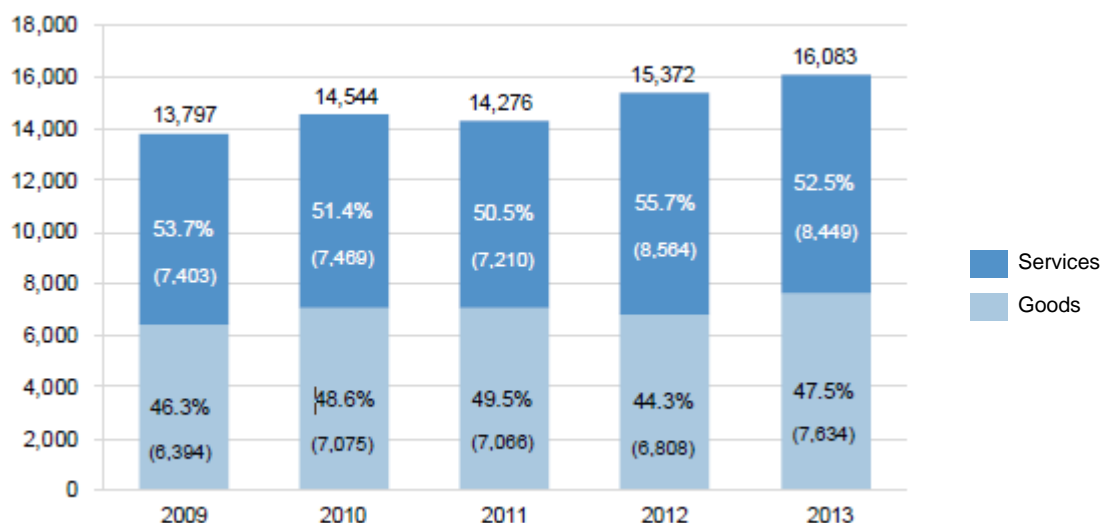
## I. Introduction

1. UNOPS is pleased to be responsible for collecting and compiling system-wide procurement data on behalf of the United Nations system.
2. The 2013 annual statistical report analyses procurement from developing countries and countries with economies in transition 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 vendors in developing countries and countries with economies in transition.
3. The 2013 annual statistical report compiles information supplied by 33 United Nations organizations. UNOPS relies on the cooperation of the participating entities in compiling and reporting statistics.
4. The categorization of countries and territories used in the report has been revised to adhere to that used by the Statistics Division, Department of Economic and Social Affairs of the United Nations. The report uses the following designations: developing countries; countries with economies in transition; and developed countries. The designations '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. Moreover, 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. The 2013 report also looks at procurement by United Nations organizations from vendors supporting the United Nations Global Compact, which has over 12,000 registered members to date. That section of the report measures procurement by the United Nations system from companies that embrace universal principles in the areas of human rights, labour, environment and anti-corruption. Procurement from suppliers that are members of the Global Compact continues its upward trend, reaching an estimated 27 per cent of the overall procurement volume in 2013 (based on orders larger than \$30,000). Organizations of the United Nations system give no preferential treatment to Global Compact signatories, but strongly encourage suppliers to subscribe to the Global Compact and support its underlying principles.
7. The annual statistical report features a thematic supplement that focuses on a current topic in procurement. For 2013, the focus is on implementing innovative solutions in procurement. The supplement provides an overview of the benefits and challenges of innovative procurement, as well as case studies and contributions from practitioners and experts globally. In the context of the renewed emphasis on sustainability in all development operations, the supplement is a timely reminder of the importance of this aspect of the procurement function.

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

8. The overall procurement volume (goods and services combined) of United Nations organizations during 2013 increased to \$16.1 billion, from \$15.4 billion in 2012 – an increase of 4.6 per cent<sup>1</sup> (figure 1). The total procurement of goods increased by \$826 million, an increase of 12.1 per cent, while procurement of services decreased by \$115 million, a slight decline of 1.3 per cent.

**Figure 1. Total procurement of goods and services, 2009-2013**  
(in millions of dollars)



9. The rise in the overall procurement volume is attributable mainly to increases in volume from four organizations<sup>2</sup>: the Food and Agricultural Organization of the United Nations (FAO)<sup>3</sup>, the Office of the United Nations High Commissioner for Refugees (UNHCR), the United Nations Children’s Fund (UNICEF) and the United Nations Procurement Division. That increase was due mainly to a rise in the procurement of medical equipment, pharmaceuticals, live plant and animal materials, and management and administrative services.

10. Since 2008, the procurement of services by the United Nations system has exceeded its procurement of goods. In 2013, despite a significant increase in the volume of goods procured, the procurement of services still constituted the majority United Nations system procurement, with 52.5 per cent of the total procurement volume attributable to services.

<sup>1</sup> The same number of organizations, 33 in total, reported procurement statistics in 2013 as compared to 2012. One organization, the Economic and Social Commission for Asia and the Pacific, reported its procurement in 2012 but not for 2013, while in 2013, UNAIDS provided data for the first time.

<sup>2</sup> Please see figure 7.

<sup>3</sup> FAO reported travel statistics in 2013, as distinct from previous years, accounting in part for the rise in its procurement volume for 2013.

### III. Countries of supply to the United Nations in 2013

11. The United Nations system procured goods and services from 192 countries in 2013, with 123 countries having an annual procurement volume of more than \$10 million each in that year. The annual statistical report examines the performance of the United Nations system in increasing opportunities for vendors in developing countries and countries with economies in transition.

### IV. Ten major countries of supply to the United Nations in 2013

12. The 10 major countries supplying United Nations organizations in 2013 included four developing countries (see table 1), with Afghanistan, India, Kenya and the United Arab Emirates accounting for 37.4 per cent of the total procurement volume of the top 10 countries of supply. This corresponds to a 6.5 percentage point decrease in procurement volume from developing countries and countries with economies in transition within the 10 major countries of supply, down from 43.9 per cent in 2012<sup>4</sup>.

13. This is the first year in which the United Arab Emirates – where procurement consisted primarily of fuels, management services, shelter equipment and food supplies – appears on the list. These goods and services were primarily procured by the United Nations Procurement Division, the World Food Programme (WFP) and the Office of the United Nations High Commissioner for Refugees (UNHCR).

**Table 1. Top 10 countries supplying the United Nations system in 2013  
(in millions of dollars and percentages of overall procurement volume)**

Countries	Goods	Services	Total	% of total
United States of America	568.7	1,100.7	1,669.4	10.4%
India	953.4	127.8	1,081.2	6.7%
Switzerland	267.7	448.9	716.6	4.5%
Afghanistan	50.5	650.4	700.9	4.4%
Denmark	299.5	253.2	552.7	3.4%
Belgium	500.2	49.9	550.1	3.4%
United Arab Emirates	363.8	138.2	502.1	3.1%
France	369.9	131.8	501.7	3.1%
United Kingdom	250.1	243.7	493.8	3.1%
Kenya	86.2	307.3	393.5	2.4%
<b>Top 10 total</b>	<b>3,710.0</b>	<b>3,452.0</b>	<b>7,162.0</b>	<b>44.5%</b>
<b>Grand total</b>	<b>7,633.8</b>	<b>8,449.7</b>	<b>16,083.4</b>	<b>100.0%</b>

14. Afghanistan has appeared on this list since 2004, and in 2013 was the fourth largest country to supply the United Nations system. Procurement from Afghanistan consisted primarily of construction, management and security services executed by UNDP and UNOPS.

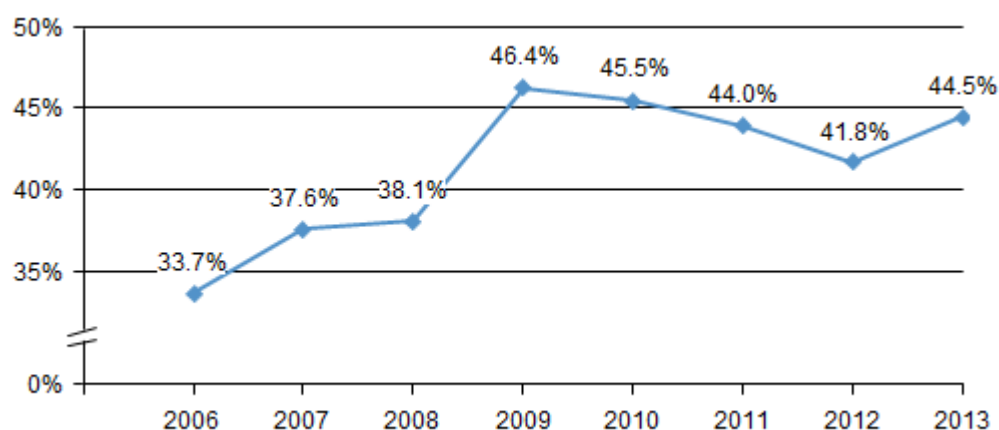
15. India has been on the list since 2000, and maintained its position as the second-largest country of supply to the United Nations system in 2013, with a 6.7 per cent share of total United Nations procurement volume – an increase of 1 percentage point

<sup>4</sup> The corresponding statistic for 2011 was 30.7 per cent.

over the previous year. Procurement from India included pharmaceuticals, food supplies, medical equipment and management services, procured primarily by UNICEF, WFP and the Pan American Health Organization (PAHO).

16. For the second consecutive year, Kenya is among the 10 major countries to supply the United Nations system, with a share of total procurement volume in 2013 of 2.4 per cent, representing a small decrease of 0.3 percentage points compared to 2012. Procurement from Kenya consisted primarily of transportation services, management services, construction services and food supplies. These goods and services were primarily procured by WFP, the United Nations Procurement Division, and UNHCR.

**Figure 2. Share of total procurement volume of the top 10 countries to supply the United Nations system, 2006-2013**

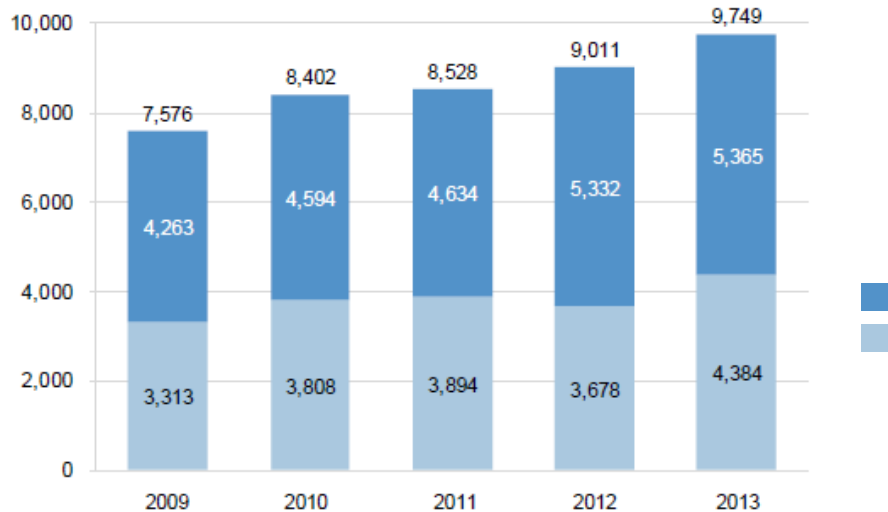


17. The percentage share of total goods and services procured from the top 10 major countries of supply to the United Nations system showed a promising decreasing trend between 2009 and 2012, representing a widening of the geographical spread of the United Nations sources of supply (figure 2). For 2013, that downward trend has reversed, and the share of the top 10 countries of supply to the United Nations in the total procurement volume has increased by 2.7 percentage points from 2012 to 2013.

## V. Procurement from developing countries and countries with economies in transition

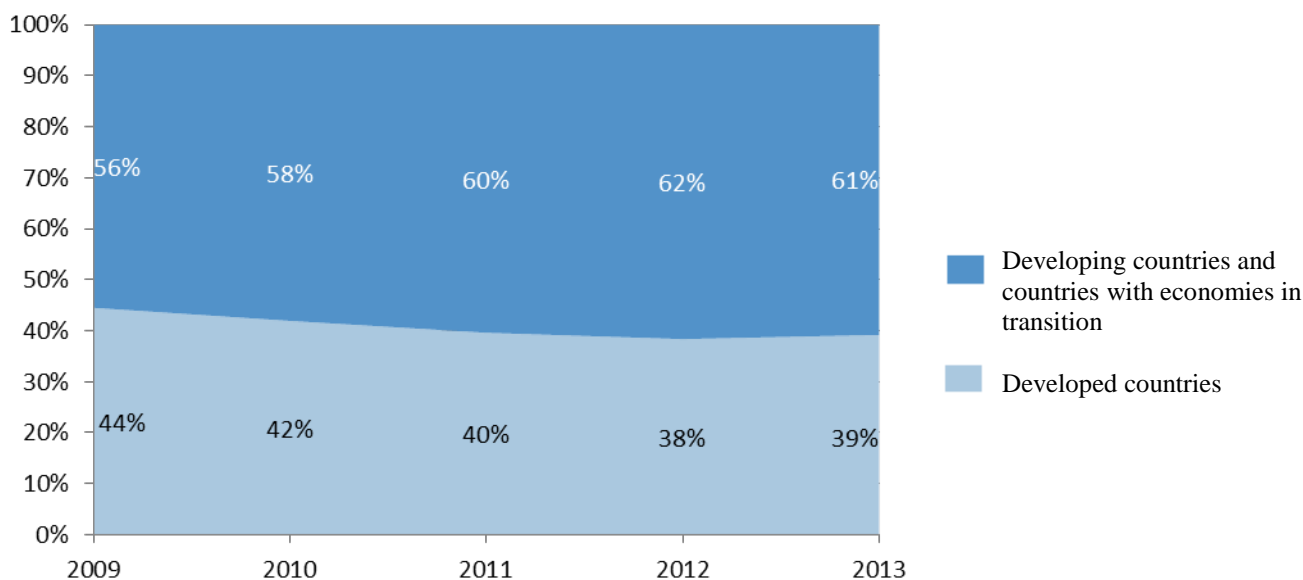
18. General Assembly resolution 57/279 encouraged United Nations organizations to increase opportunities for suppliers from developing countries and countries with economies in transition. General Assembly resolution 61/246 reiterated the request, and in response, United Nations organizations have placed more orders with suppliers from those countries. The growth of such orders has grown steadily over the 2009-2013 period, for a cumulative increase of 28.7 per cent (see figure 3). The increase represents an annual compounded growth rate of 6.1 per cent, compared with an overall average procurement volume growth of 3.7 per cent annually.

**Figure 3. United Nations procurement from developing countries and countries with economies in transition, 2009-2013 (in millions of dollars)**



19. In 2013, procurement from developing countries and countries with economies in transition increased by \$738 million over 2012. Compared to the previous year, the share of procurement from developing countries and countries with economies in transition decreased from 61.7 per cent to 60.8 per cent (see figure 4). The share of procurement from developed countries increased from 38.3 per cent to 39.2 per cent. Procurement from ‘unspecified countries’<sup>5</sup> was \$54.9 million in 2013.

**Figure 4. United Nations procurement from developing countries and countries with economies in transition, 2009-2013 (as percentages)**



<sup>5</sup> Countries are ‘unspecified’ when organizations cannot attribute the origin of the supplier in their management information systems.

## VI. Top 20 developing countries and countries with economies in transition supplying United Nations organizations

20. In total, procurement of goods and services from the top 20 developing countries and countries with economies in transition represented 38.5 per cent of overall United Nations procurement volume, an increase of 1.4 percentage points over the previous year. Table 2 provides a detailed overview of procurement volume trends, types of goods and services procured, and the share of United Nations organizations for each of the countries listed.

**Table 2. Top 20 developing countries and countries with economies in transition supplying United Nations operations in 2013 (in millions of dollars and by percentage)**

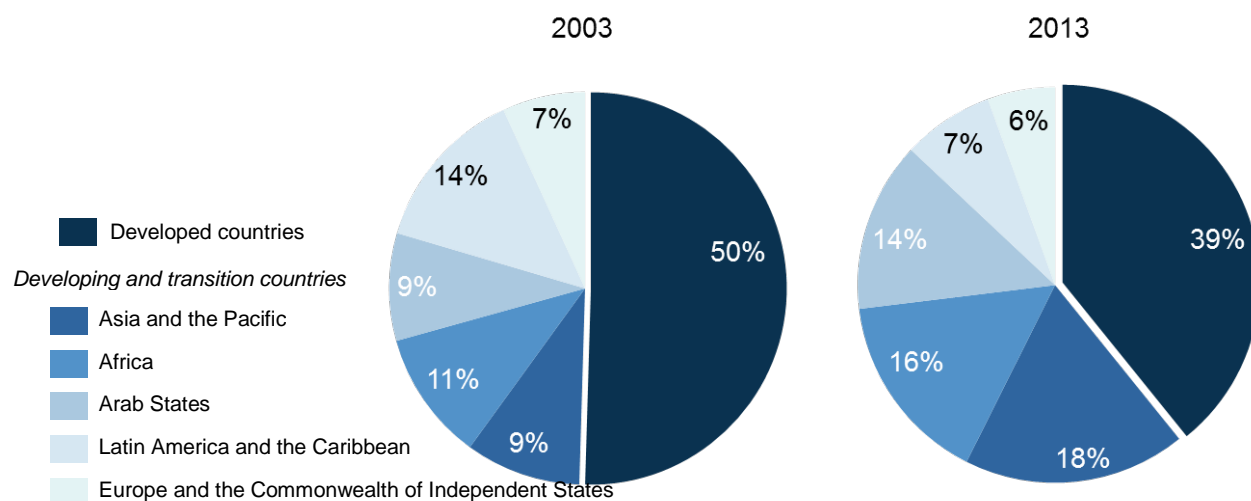
Countries	Goods	Services	Total	% of total
India	953.4	127.8	1081.2	6.7%
Afghanistan	50.5	650.4	700.9	4.4%
United Arab Emirates	363.8	138.2	502.1	3.1%
Kenya	86.2	307.3	393.5	2.4%
Russian Federation	65.9	298.6	364.4	2.3%
Sudan	179.0	167.8	346.7	2.2%
Lebanon	166.6	127.7	294.3	1.8%
Argentina	117.8	160.1	277.8	1.7%
Ethiopia	95.1	175.9	271.0	1.7%
Pakistan	104.5	123.9	228.4	1.4%
Turkey	196.7	31.3	228.0	1.4%
Jordan	120.8	101.1	221.9	1.4%
South Africa	90.8	103.6	194.4	1.2%
Panama	127.1	53.5	180.7	1.1%
China	113.1	65.1	178.1	1.1%
Brazil	43.8	118.6	162.4	1.0%
Dem. Rep. of Congo	25.9	118.7	144.6	0.9%
Uganda	38.6	102.9	141.5	0.9%
Zimbabwe	53.0	87.3	140.3	0.9%
South Sudan	16.4	117.5	133.9	0.8%
<b>Top 20</b>	<b>3,008.9</b>	<b>3,177.1</b>	<b>6,186.0</b>	<b>38.5%</b>
<b>Grand total</b>	<b>7,633.8</b>	<b>8,449.7</b>	<b>16,083.4</b>	<b>100.0%</b>



## VII. Procurement from developing countries and countries with economies in transition, by region

21. Over the last 10 years, the share of United Nations procurement from developing countries and countries with economies in transition has increased significantly. Figure 5, below, illustrates that increase by showing the distribution of United Nations procurement in 2003 and in 2013, where procurement from countries with developing economies and procurement from countries with economies in transition are separated by region.<sup>6</sup>

**Figure 5. Procurement volume of the United Nations system by region in 2003 and 2013 (in percentages)**



22. Figure 5 shows that the share of procurement from developed countries has decreased over the last ten years (from 50 per cent to 39 per cent). This is consistent with United Nations resolutions encouraging United Nations organizations to increase opportunities for suppliers from developing countries and countries with economies in transition.

23. The developing countries and countries with economies in transition in the Asia and Pacific region have seen the largest increase in the last ten years, as their share of total procurement has doubled (from 9 per cent in 2003 to 18 per cent in 2013). Among countries in the Asian region, India and Afghanistan have seen particularly large increases in their procurement volume during that 10-year period (\$922 million and \$658 million, respectively).

24. Procurement from countries in the Africa and Arab States regions has also risen over the past 10 years: the share of United Nations procurement from each has increased by 5 percentage points since 2003. Among countries in the Arab States region, the United Arab Emirates and Sudan showed the largest growth, rising by \$484 million and \$337 million, respectively. In the Africa region, Kenya and Ethiopia represented the majority of the rise in procurement volume, growing by \$336 million and \$238 million, respectively, over the last 10 years.

25. The share of procurement from the Europe and the Commonwealth of Independent States region has decreased slightly, from 7 per cent in 2003 to 6 per cent

<sup>6</sup> Countries with developed economies have been separated to highlight the share of United Nations procurement from countries with developing economies and countries with economies in transition.

in 2013. The Russian Federation saw an increase of \$246 million in its procurement volume during the last ten years, while procurement from Turkey rose by \$124 million over the same time period.

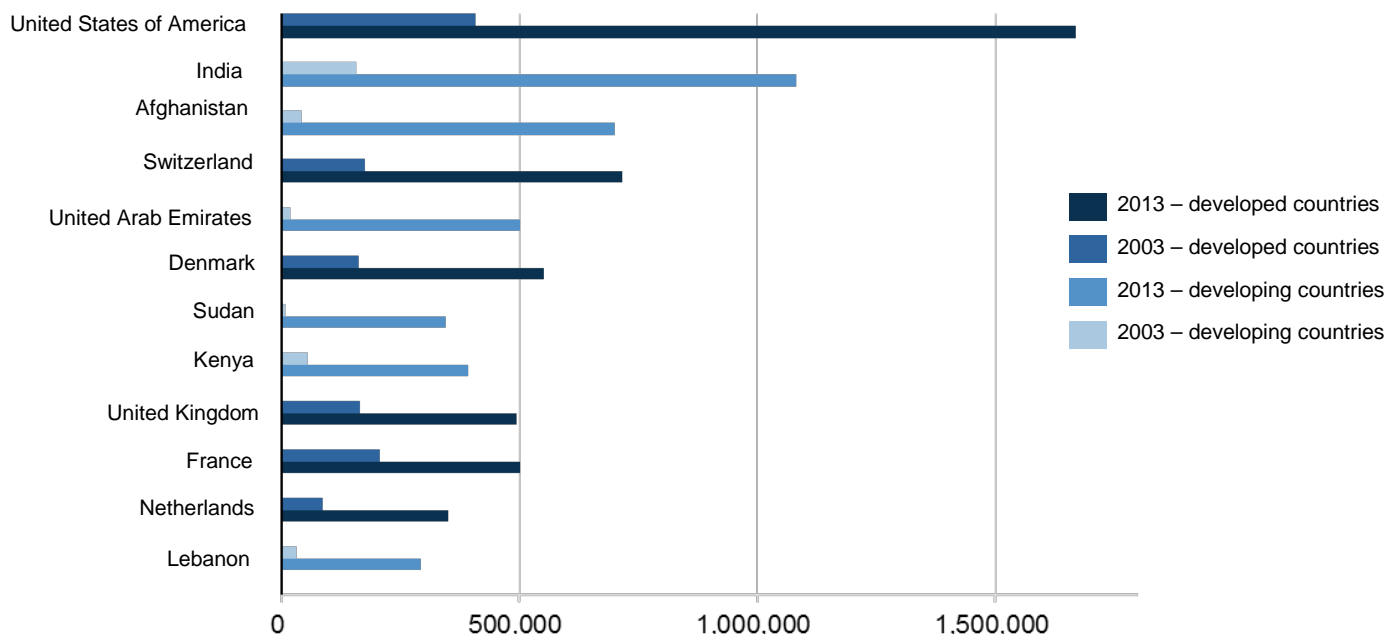
26. The Latin America and the Caribbean region has witnessed a decrease in its share of total United Nations procurement since 2003. Procurement from this region represented 7 per cent of total United Nations system procurement in 2013; a significant decrease from 14 per cent in 2003. It should be noted, however, that the volume of procurement from countries in the Latin America and the Caribbean region has risen over the last 10 years (from \$644 million to \$1.2 billion).

### VIII. Countries with largest increases in procurement volume from 2003 to 2013

27. As indicated previously, the share of United Nations system procurement from countries with developing economies and economies in transition has risen significantly over the last 10 years. Procurement from some of these countries therefore showed a larger-than-average growth during the period.

28. Five developing countries, representing the largest increase in procurement volume, saw their combined volume rise by more than \$2.7 billion over the past 10 years: India, Afghanistan, the United Arab Emirates, Sudan and Kenya. The procurement volume of each of those countries increased by 500 per cent or more from 2003 to 2013.

**Figure 6.** Countries with largest rises in procurement volume between 2003 and 2013  
(in thousands of dollars)



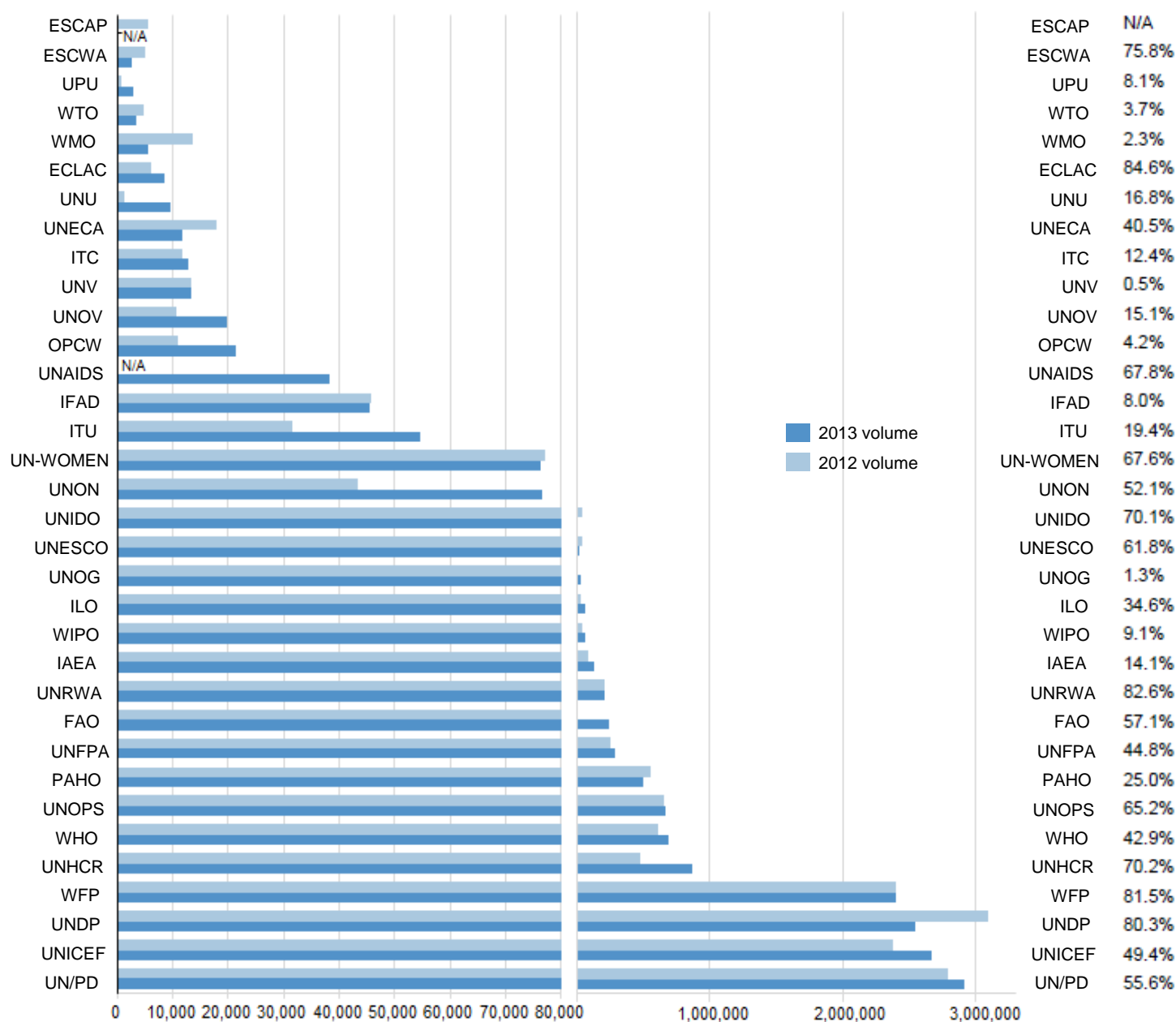
29. Despite the reduced share of procurement coming from developed countries, some developed countries have seen their procurement volume to the United Nations system grow significantly since 2003: the United States of America, with an increase of \$1.2 billion (300 per cent) and Switzerland, with a rise of \$540 million (300 per cent) showed the largest growth amongst developed countries over the past decade.

30. Globally, the procurement volume of the United Nations system rose by \$11 billion during the 2003-2013 period.

## IX. Procurement by organizations of the United Nations system in 2012 and 2013

31. Figure 7, below, presents the procurement volume of the individual United Nations organizations in 2012 and 2013, and includes the percentage share of procurement from developing countries and those with economies in transition<sup>7</sup>.

**Figure 7. Total procurement by United Nations organizations and share of procurement from developing countries and countries with economies in transition, in 2012 and 2013 (in thousands of dollars, with percentages)**



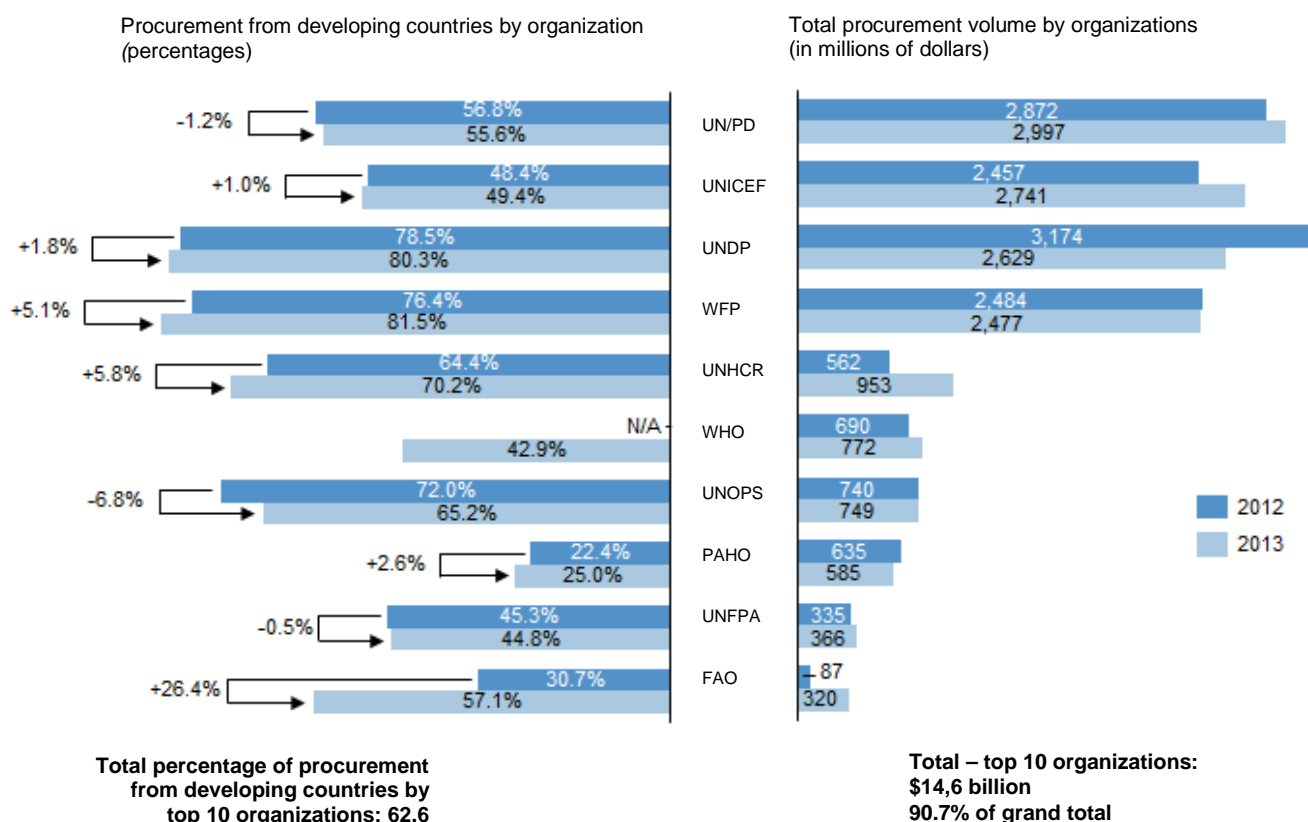
<sup>7</sup> The right-hand column shows the percentage of 2013 procurement volume from developing countries and countries with economies in transition.

32. While the total procurement of the United Nations system increased by \$711 million in 2013, 12 of the 33 reporting organizations<sup>8</sup> witnessed declines in their procurement volume. Eight organizations saw their procurement volume increase by more than 50 per cent over 2012.

## X. Procurement from developing countries and countries with economies in transition by the largest United Nations organizations

33. Figure 8 displays the procurement volume of the 10 largest United Nations organizations, which as a group represented 90.7 per cent of the overall procurement volume of the United Nations system. It also shows the 2013 share of procurement from developing countries and countries with economies in transition, with the percentage-points change over the previous year. Organizations are listed in descending order by total procurement volume in 2013.

**Figure 8. Procurement of organizations of the United Nations system from developing countries and countries with economies in transition, 2012 and 2013**

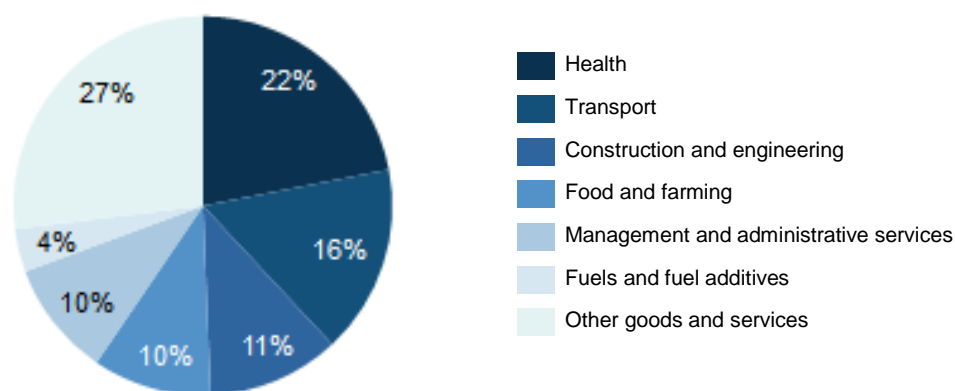


<sup>8</sup> The year-on-year comparison is possible for 32 of the 33 reporting organizations, as procurement from UNAIDS was reported through UNDP in 2012.

## XI. Procurement by sectors of categories of goods and services

34. Procurement of goods and services by the United Nations system falls into a wide variety of categories, which can be grouped into sectors that relate to the different areas of procurement that support the operational activities of the organization. Figure 9 shows the distribution of United Nations system procurement across the largest sectors of goods and services categories.

**Figure 9. Procurement of the United Nations system by sector of goods and services, in 2013 (in percentages)**



35. The figure illustrates that two sectors are significantly larger than others in terms of procurement volume: the health sector (pharmaceuticals, health-care services, and medical and laboratory equipment) and the transport sector (transport services and motor vehicles). In 2013, the health sector represented 22 per cent of United Nations system procurement while the transport sector represented 16 per cent of procurement volume.

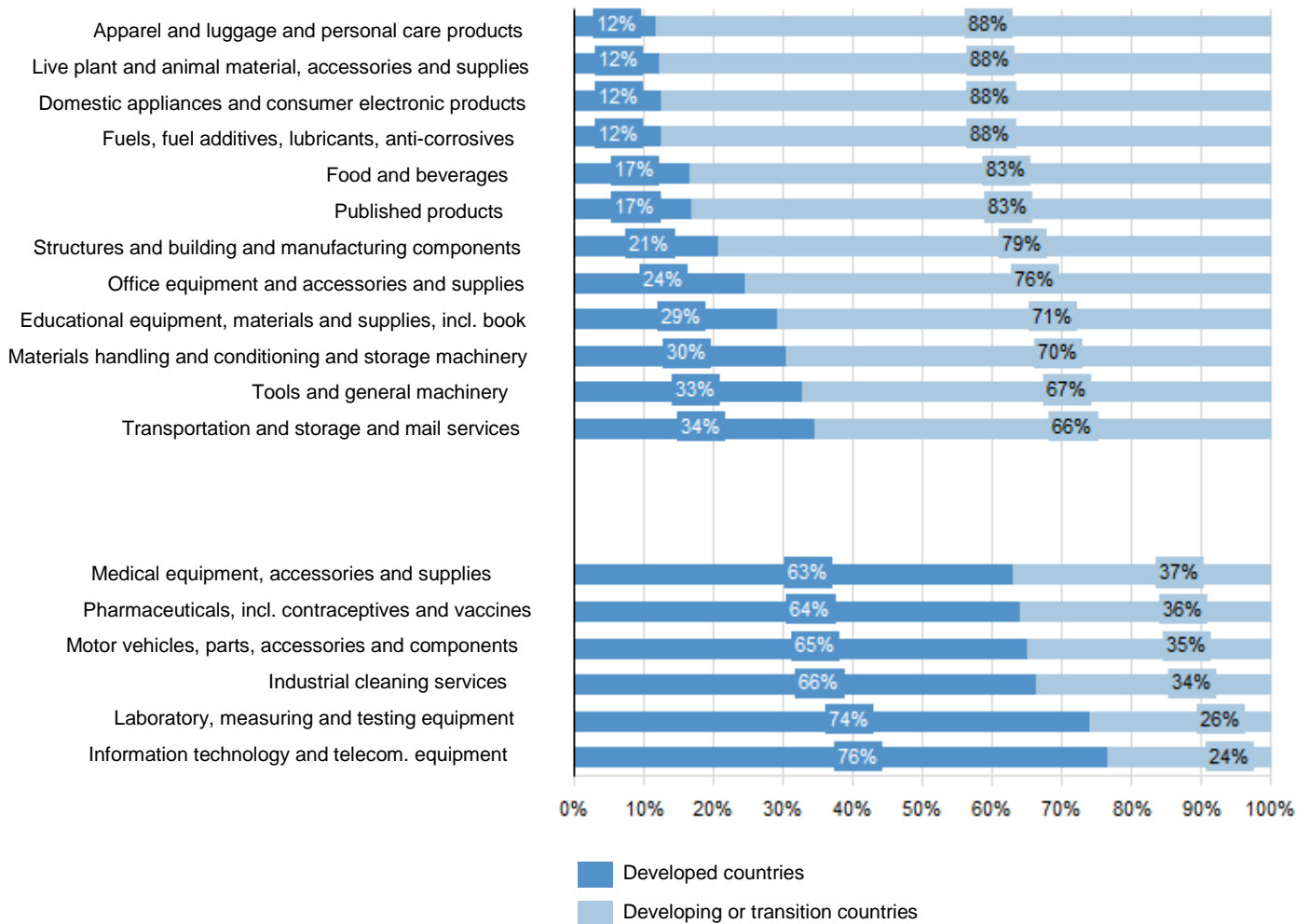
36. Three other sectors had a share of 10 per cent or more of United Nations procurement volume in 2013: construction and engineering (construction supplies and services, engineering services, structures), food and farming (food, beverages, live plants and animals, and farming accessories and services) and management and administrative services.

37. Those five sectors combined account for more than two thirds (69 per cent) of the total procurement done by United Nations organizations in 2013.

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

38. In recent years, a majority of United Nations system procurement has come from countries with developing economies and countries with economies in transition. The following analysis shows which categories are predominantly procured from developed countries and which categories are predominantly procured from developing countries and countries with economies in transition.

**Figure 10. Categories with uneven distribution of procurement between developed and developing or transition economies (in percentages)**



Note: Categories with less than \$50 million of total procurement in 2013 were excluded from this chart.

39. In 2013, 12 different categories of products and services were widely procured from countries with developing economies and from countries with economies in transition (figure 10). For each of those categories, at least 66 per cent of the procurement volume came from developing countries and countries with economies in transition. Six categories even had more than 80 per cent of their procurement volume originating from developing countries and countries with economies in transition.

40. Conversely, information technology and laboratory equipment were largely procured from countries with developed economies. In those categories, approximately three quarters of the procurement volume was from developed countries. Four other categories, displayed in the figure above, had approximately two thirds of their procurement volume originating from developed countries.

## **Annex. Abbreviations used in figures 7 and 8**

ECLAC Economic Commission for Latin America & the Caribbean  
ESCAP Economic Commission for Asia and the Pacific  
ESCWA Economic & Social Commission for Western Asia  
FAO Food and Agricultural Organization of the United Nations  
IAEA International Atomic Energy Agency  
IFAD International Fund for Agricultural Development  
IFC International Finance Corporation  
ILO International Labour Organization  
ITC International Trade Centre  
ITU International Telecommunication Union  
OPCW Organisation for the Prohibition of Chemical Weapons  
PAHO Pan American Health Organization  
UNAIDS Joint United Nations Programme on HIV/AIDS  
UNECA United Nations Economic Commission for Africa  
UNESCO United Nations Educational, Scientific and Cultural Organization  
UNHCR United Nations High Commissioner for Refugees  
UNICEF United Nations Children's Fund  
UNIDO United Nations Industrial Development Organization  
UNOG United Nations Office at Geneva  
UNON United Nations Office at Nairobi  
UN/PD United Nations Procurement Division  
UNRWA United Nations Relief and Works Agency  
UNU United Nations University  
UNV United Nations Volunteers  
UPU Universal Postal Union  
WFP World Food Programme  
WHO World Health Organization  
WIPO World Intellectual Property Organization  
WMO World Meteorological Organization  
WTO World Tourism Organization

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