



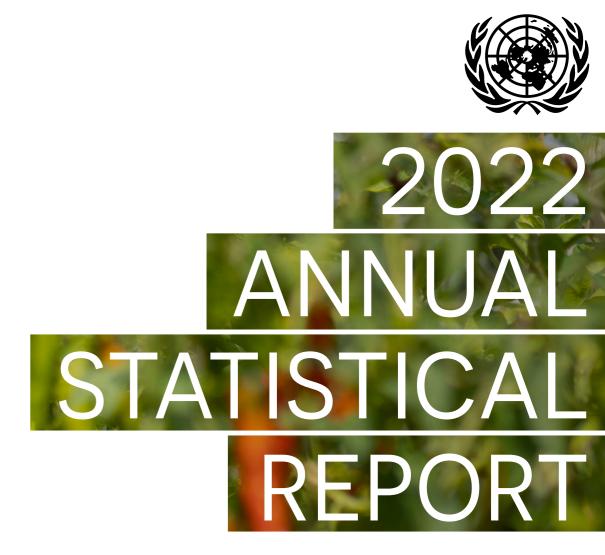
ON UNITED NATIONS PROCUREMENT

The Annual Statistical Report on United Nations Procurement (ASR) provides an overview of the procurement of the United Nations (UN) system in support of its operations, projects and programmes.

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

This 39th edition of the report presents an analysis of key trends in UN procurement and is complemented by the full statistics published <a href="online">online</a>. The ASR includes a breakdown of procurement by UN organization, by sectors of categories of goods and services procured, and by supplier countries. It also contains information on collaboration within the UN system and organizations' efforts to integrate sustainability considerations into their procurement processes, in the context of the UN's continued focus on sustainable development.

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



#### ON UNITED NATIONS PROCUREMENT



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# WHAT DID THE UNITED NATIONS PROCURE IN 2022?



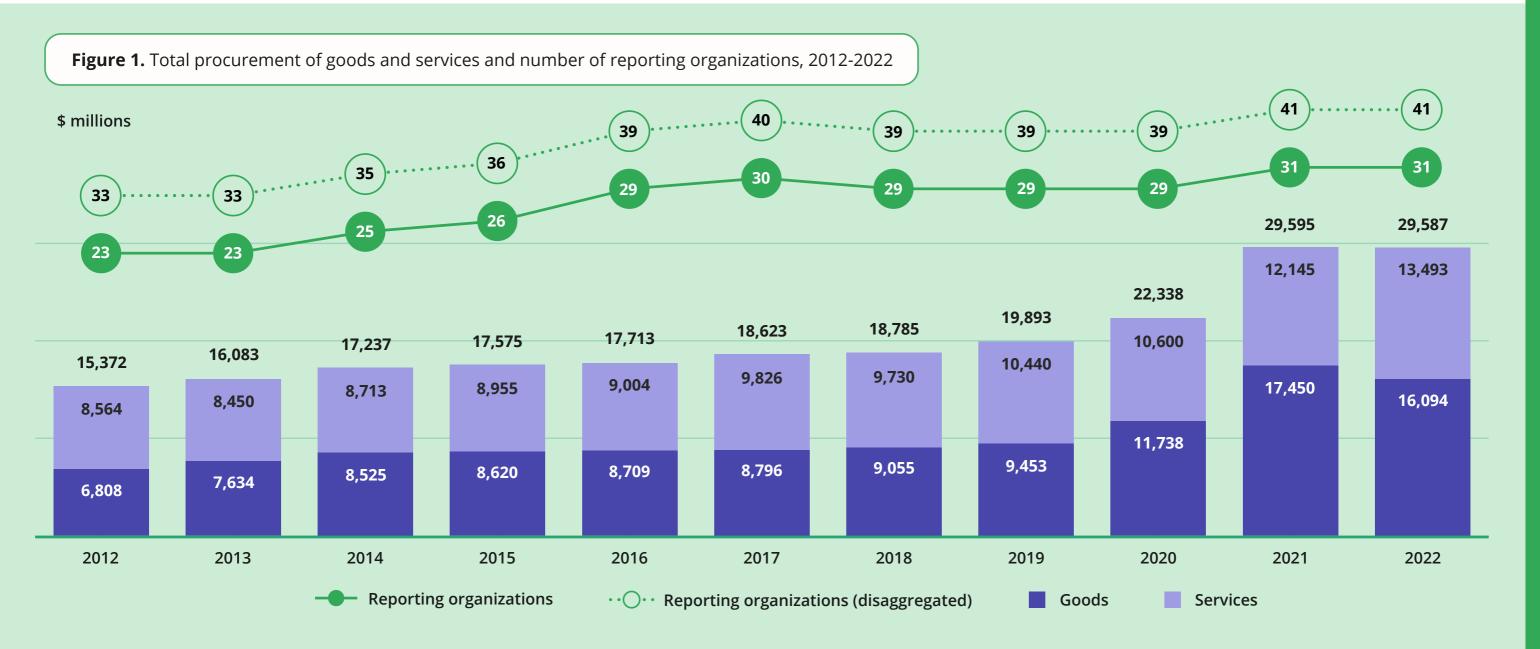
#### TOTAL UNITED NATIONS PROCUREMENT IN 2022

United Nations (UN) procurement in 2022 totalled \$29.6 billion. It was marginally below the record level reached in 2021 – down by just \$7.8 million or less than 0.03 per cent. Procurement of goods decreased by \$1.4 billion or 7.8 per cent, offset by the \$1.3 billion or 11.1 per cent increase in procurement of services.

While the same UN organizations reported in 2022 as in 2021, there was a change in reporting by

UN Secretariat entities. Procurement that was previously reported individually by the Economic Commission for Latin America and the Caribbean (ECLAC), the Economic and Social Commission for Asia and the Pacific (ESCAP), the Economic and Social Commission for Western Asia (ESCWA), the International Residual Mechanism for Criminal Tribunals (IRMCT), the International Trade Centre (ITC), the United Nations Assistance to the Khmer

Rouge Trials (UNAKRT), the United Nations Economic Commission for Africa (UNECA), the United Nations Office at Geneva (UNOG), the United Nations Office at Nairobi (UNON), the United Nations Office at Vienna (UNOV) and the United Nations Procurement Division (UNPD) was consolidated and submitted as 'UN Secretariat', resulting in a change in the number of organizations, from 41 in 2021 to 31 in 2022.



#### PROCUREMENT BY SECTOR

The top five sectors of UN procurement remained the same as in 2021 but with minor changes in the order. Procurement from those sectors accounted for \$20.8 billion or 70.2 per cent of total UN procurement in 2022. While four of them saw increased procurement in 2022, one experienced a decrease compared to 2021 (see Table 1).

**Health**, which remained the largest procurement sector of the UN system, saw a record high volume in 2021, due largely to its relevance to the COVID-19 response. In 2022, procurement in the sector reached \$7.6 billion and represented 25.6 per cent of total UN procurement. Despite a marked decrease from 2021, procurement in the sector as a whole was significantly higher than the levels recorded before 2021 and was up by \$2.1 billion compared to 2020. The United Nations Children's Fund (UNICEF) continued to be the largest procuring organization in the sector, at \$4.8 billion, followed by the Pan American Health Organization (PAHO), at \$967 million, and the United Nations Office for Project Services (UNOPS), at \$550 million. The largest segments in Health were Pharmaceuticals, contraceptives and vaccines, at \$5.7 billion, and Medical equipment and supplies, at \$1.7 billion.

**Table 1.** Procurement by sectors, 2022

Category (ASR sector level)	<b>Total 2022</b> (\$ millions)	<b>Total 2021</b> (\$ millions)	Total change 2021-2022 (\$ millions)	Total change 2021-2022 (%)
Health	7,565.4	10,642.9	-3,077.4	-28.9%
Food and Farming	4,242.1	2,958.7	1,283.3	43.4%
Construction, Engineering and Science	3,530.9	3,526.9	4.1	0.1%
Transportation and Storage	2,901.2	2,562.6	338.6	13.2%
Administration and Operations	2,533.8	2,331.6	202.2	8.7%
Media, IT and Communications	2,144.6	2,122.6	22.0	1.0%
Travel, Accommodation and Catering Services	1,540.8	1,013.3	527.6	52.1%
Utilities	1,251.1	924.5	326.6	35.3%
Finance, Insurance and Real Estate	1,176.7	1,099.3	77.4	7.0%
Humanitarian Aid, Peace, Security and Safety	818.0	848.2	-30.2	-3.6%
Other Goods and Services	746.1	547.0	199.0	36.4%
Motor Vehicles, Industrial Machinery and Heavy Equipment	581.3	505.3	76.0	15.0%
Education, Training and Recreation	554.7	511.7	43.1	8.4%
UN total	29,586.8	29,594.5	-7.8	-0.03%



Food and Farming was the second-largest sector in 2022, moving up from third place for the first time since 2014. Procurement in that sector experienced a substantial increase of \$1.3 billion and totalled \$4.2 billion, or 14.3 per cent of total UN procurement. Food and beverage products continued to be the key category in the sector, at \$3.7 billion in 2022 (up by \$1.2 billion), and it was responsible for the overall sector growth. The increase can largely be attributed to the World Food Programme (WFP), the largest procurer in the sector, whose procurement of those products rose by \$1.2 billion in 2022, due mainly to the emergencies in Ukraine and Afghanistan, as well as increases in unit prices overall.

**Construction, Engineering and Science** was the third-largest sector in 2022. Procurement in the sector remained at the same level as in 2021 and totalled \$3.5 billion. Two key categories, Building and maintenance services and Engineering and research services, experienced an increase of \$86 million and \$65 million, respectively. The main procurers of these categories were UNICEF and the United Nations Development Programme (UNDP), which together were responsible for 42.8 per cent of total procurement in those segments. UNDP increased procurement in the two categories by \$155 million in 2022, due chiefly to construction projects in Serbia and Albania, and continued to be the largest procurer in the sector overall. *Laboratory and testing equipment* remained a key segment within the sector, despite an overall decrease of \$135 million compared to 2021.



Fishing vessel and carrier vessel side by side High Seas, Indian Ocean © Indian Ocean Tuna Commission

The Indian Ocean Tuna Commission (IOTC) was established in 1993 at the 105th Session of the Council of the Food and Agriculture Organization of the United Nations (FAO). The IOTC promotes cooperation among its contracting parties (members) and cooperating non-contracting parties so as to ensure the conservation and appropriate utilization of fish stocks and encourages the sustainable development of fisheries. Members make decisions concerning the management of tuna and tuna-like resources.

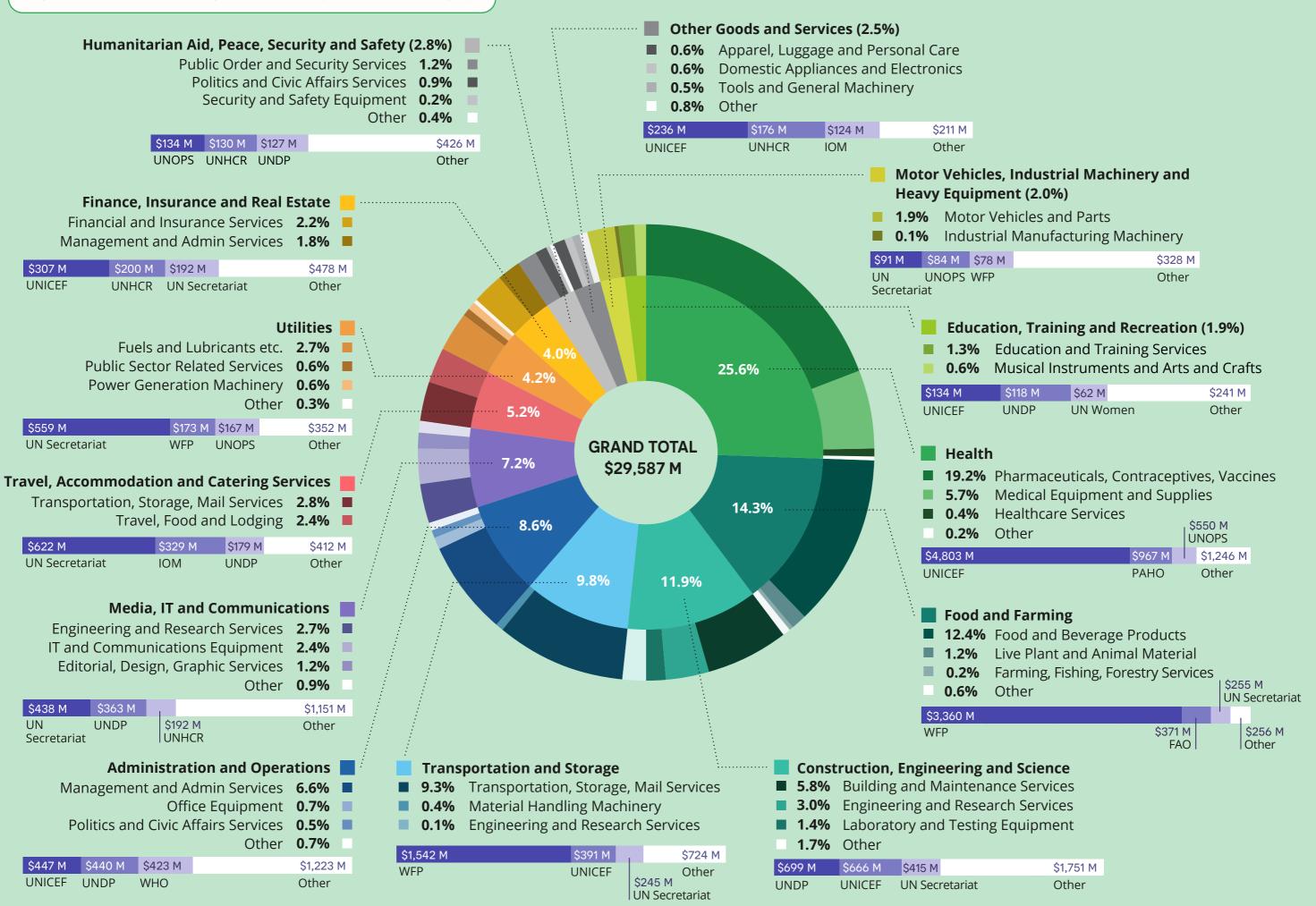
In May 2006, the IOTC adopted the resolution on establishing a programme for transhipment by large-scale fishing vessels,<sup>1</sup> which included a requirement to implement the IOTC Regional Observer Programme (ROP).

On behalf of the IOTC Secretariat, FAO established various contracts to deploy observers on carrier vessels receiving consignments at sea in the Indian Ocean, with the objectives of combating illegal, unreported and unregulated fishing activities and organized tuna laundering operations; ensuring monitoring on carrier vessels of the transhipment activities by large-scale longline vessels; and collecting catch data on such large-scale long-line tuna to improve the scientific assessments of stocks of tuna and tuna-like species.

The FAO contract provided for 20 to 25 trained observers to be available, at any given time, to be deployed on carrier vessels, capable of completing up to 70 deployments annually of approximately 41 days' duration. The five-year contract concluded in April 2023 with a total value of more than €3 million; FAO signed a new one in 2023.

<sup>1.</sup> Indian Ocean Tuna Commission, Resolution 06/02 On establishing a programme for transhipment by large-scale fishing vessels, Indian Ocean Tuna Commission, May 2006.

**Figure 2.** Overview of UN procurement by sector and category



## PROCUREMENT BY CATEGORY OF GOODS AND SERVICES

The ASR uses the United Nations Standard Products and Services Code (UNSPSC) to categorize and report on products and services procured by the UN system. The UNSPSC categorization is based on the hierarchy of product segments, families, classes and commodities (see more about the UNSPSC classification in the Methodology section).

Table 2 shows the 10 largest categories, at the segment level, by procurement volume in 2022. The top segments remained largely unchanged compared to 2021, with the exception of two categories that moved further down the list – Financial and insurance services into eleventh place and Laboratory and testing equipment into fourteenth place. They were replaced by Fuels and lubricants in eighth place and Travel, food and lodging in ninth. There was an increase in procurement for 7 of the top 10 segments in 2022. The largest increases were in the categories of Food and beverage products, Transportation, storage and mail services, Travel, food and lodging and Fuels and lubricants.

*Pharmaceuticals, contraceptives and vaccines,* the largest segment since 2010, totalled \$5.7 billion

**Table 2.** Top 10 categories of procurement by volume, UNSPSC segment level, 2022

Category (UNSPSC segment level)	<b>Total 2022</b> (\$ millions)	Total change 2021-2022 (%)	Share of procurement from least developed countries 2022 (%)
Pharmaceuticals, Contraceptives, Vaccines	5,685.7	-29.4%	0.5%
Food and Beverage Products	3,656.8	46.1%	18.1%
Transportation, Storage, Mail Services	3,561.0	14.9%	28.5%
Management and Admin Services	2,499.3	6.4%	18.2%
Engineering and Research Services	1,787.7	9.7%	10.9%
Building and Maintenance Services	1,723.8	5.2%	38.4%
Medical Equipment and Supplies	1,699.7	-27.8%	7.7%
Fuels and Lubricants etc.	806.0	66.4%	20.8%
Travel, Food and Lodging	721.2	114.3%	24.3%
IT and Communications Equipment	716.7	-8.0%	8.2%
Top 10 total	22,858.1		
UN total	29,586.8		

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in 2022, a decrease of \$2.4 billion compared to 2021. The reduction can be attributed primarily to UNOPS, which recorded a higher than normal procurement volume in the segment in 2021 due to a large health sector project in Mexico. Additionally, UNICEF and PAHO reported reduced procurement related to COVID-19 vaccines and their distribution.

UNICEF remained by far the largest procurer within the segment, at \$3.9 billion – \$335 million lower than in 2021. Of that total, \$3.7 billion was for procurement of immunomodulating drugs (including vaccines). UNICEF was followed by PAHO, at \$892 million (down by \$158 million), and UNOPS at \$333 million. UNDP reported a decrease of \$65 million or 29.3 per cent within the segment. In contrast, the World Health Organization (WHO) and the United Nations Population Fund (UNFPA) saw increased procurement within the segment – up by \$4.9 million and \$37 million, respectively.

Food and beverage products and Transportation, storage and mail services switched positions in 2022 compared to the previous year. Food and beverage products, the category with the highest increase compared to 2021, became the second-largest segment in 2022, reaching \$3.7 billion – up by \$1.2 billion. WFP increased procurement in the segment by \$1.2 billion, or 55.0 per cent, compared to 2021 and continued to be the largest procurer in the segment. The growth was driven

largely by increased procurement of nutritional supplements and prepared and preserved foods in response to ongoing emergencies in Afghanistan and Ukraine. Procurement by the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) in the segment continued to rise slightly in 2022, up 8.3 per cent or \$7.9 million, and reached \$104 million.

Türkiye, Pakistan and Afghanistan were the main countries of supply of these products, with a combined volume of \$1.1 billion – an increase of \$442 million compared to 2021. Procurement from suppliers in least developed countries accounted for \$662 million or 18.1 per cent of total procurement in the segment.

Procurement within the third-largest segment, *Transportation, storage and mail services*, totalled \$3.6 billion in 2022. The category experienced the second-largest increase among all segments in 2022 – up by \$461 million, or 14.9 per cent, compared to 2021. The growth in the segment can be explained largely by the continued increase in demand for both passenger transport and transport services as countries emerge from the COVID-19 pandemic, as well as by the surge in transportation costs due to fuel price shocks.

As in 2021, WFP was the main procurer in this category, with a total of \$1.5 billion (up by \$100 million compared to 2021); it was responsible

for 43.4 per cent of total UN procurement in the segment. The International Organization for Migration (IOM) experienced the largest increase in the segment – \$112 million or 61.7 per cent more than in 2021 – and reached \$292 million, exceeding by \$79 million the pre-pandemic level of 2019. Other notable increases within the segment were seen by UNICEF (up \$73 million), the UN Secretariat (up \$44 million) and FAO (up \$36 million).

Fuels and lubricants and Travel, food and lodging, the categories that moved into the top 10 list in 2022, increased substantially compared to 2021 up by 66.4 per cent and 114 per cent, respectively. The UN Secretariat had the largest increase in the Fuels and lubricants category and was the main procurer of fuels, with a total of \$450 million (up \$215 million), followed by UNOPS (\$141 million) and WFP (\$101 million). Procurement in the Travel, food and lodging segment reached a record high of \$721 million, exceeding the pre-pandemic level (\$149 million more than in 2019). The main increases in the segment were reported by the UN Secretariat, UNDP and UNICEF, which, with a combined increase of \$310 million, were responsible for 72.3 per cent of UN procurement in the category.

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WHO
SUPPLIED
THE UNITED
NATIONS
IN 2022?

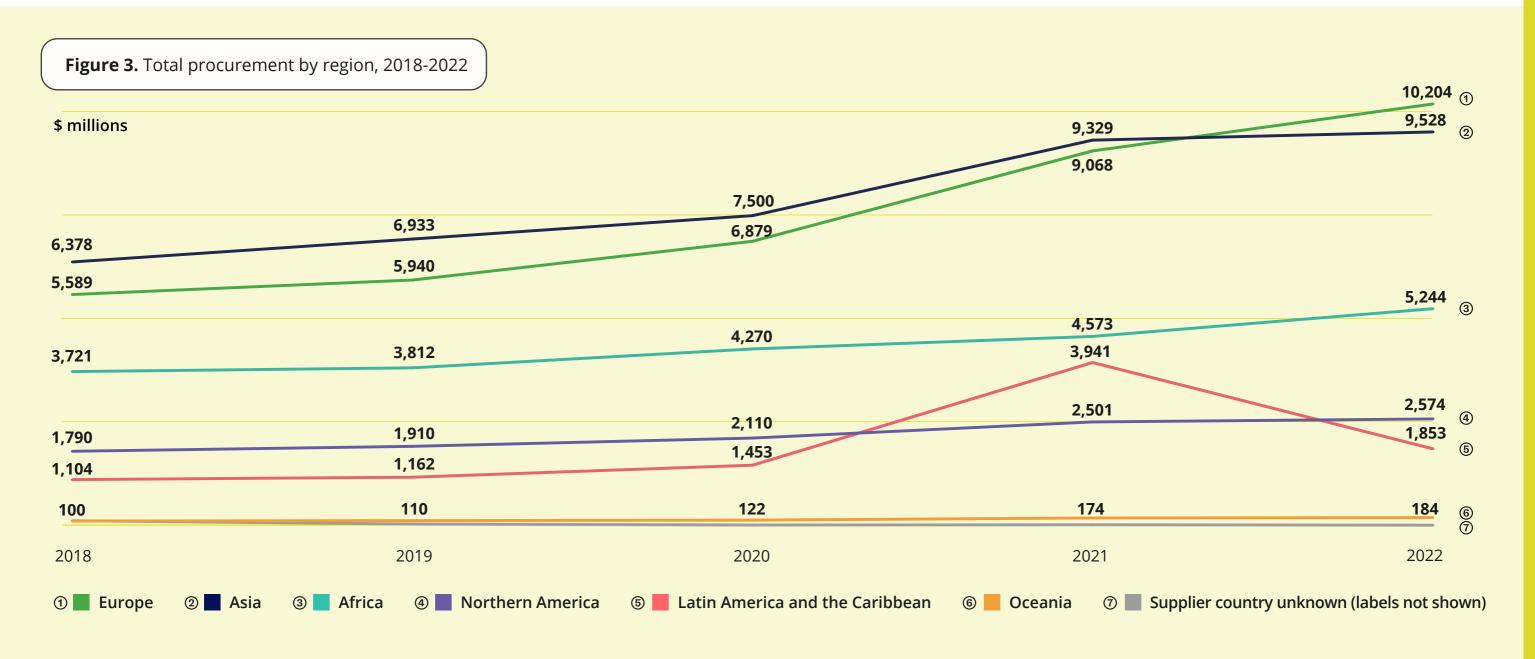


#### PROCUREMENT BY REGION OF SUPPLIER

From 2021 to 2022, UN organizations increased procurement from suppliers in all regions except for Latin America and the Caribbean. Europe was for the first time the largest region for UN procurement, while Oceania remained the smallest region by procurement volume.

Procurement from suppliers in Europe, which saw the most prominent increase across all regions, totalled \$10.2 billion, an increase of \$1.1 billion compared to 2021. That growth was driven mainly by increased procurement of Health sector goods and services from suppliers in Belgium and the United Kingdom of Great Britain and Northern Ireland – up by a combined \$1.1 billion compared to 2021. Other significant increases were seen in Ukraine (up by \$260 million to a total of \$474 million in 2022) and Denmark (\$185 million more than in 2021).

Asia was the second-largest region for procurement in 2022, with a total of \$9.5 billion – \$199 million more than in 2021. The main increases in the region were seen in Afghanistan (up \$397 million), Pakistan (up \$328 million) and the United Arab Emirates (up \$227 million), primarily in the Food and Farming sector. This was partly offset by the \$1.2 billion decrease in procurement from





suppliers in China: procurement from Chinese suppliers totalled \$501 million in 2022, still more than double the 2019 level (\$246 million). There was also a \$132 million decrease from suppliers in India.

In the Africa region, procurement from suppliers increased by \$671 million, or 14.7 per cent, reaching a record high of \$5.2 billion. This was due to increased procurement from suppliers in the Democratic Republic of the Congo (up from \$192 million in 2021 to \$305 million in 2022), Kenya (up \$105 million) and Ethiopia (up \$91 million). WFP remained the largest procurer from the suppliers in the region, with a total of \$1.7 billion, followed by UNICEF, with \$771 million, and UNDP (\$637 million).

Procurement from suppliers in Northern America and Oceania saw less pronounced increases in 2022, growing by \$72 million and \$10 million, respectively. In Oceania, the main increases were recorded in Papua New Guinea and Fiji (each up \$14 million compared to 2021).

Procurement in Latin America and the Caribbean totalled \$1.9 billion in 2022, compared to a record \$3.9 billion in 2021, which was influenced by UNOPS' large health sector project in Mexico. Despite an overall decrease compared to 2021, the procurement volume from suppliers in the region in 2022 was higher than the levels reported before 2021 and \$401 million more than in 2020.

## MAJOR COUNTRIES OF SUPPLY

In 2022, UN organizations reported procurement of goods and services from suppliers in 222 countries and territories. The 10 countries with the highest procurement volumes are shown in Table 3. Those countries were responsible for \$12.5 billion, or 42.4 per cent of total UN procurement in 2022. From the top 10 list of 2021, 8 countries remained in the top 10 for 2022, but with notable changes in the order, while Türkiye and Afghanistan replaced Mexico and China on the list, following reduced procurement from those countries, as mentioned earlier.

The United States of America remained the largest supplier country by procurement volume in 2022 and, with a slight increase of 1.3 per cent, reached a total of \$2.4 billion. In addition to being the main supplier of *Engineering and research services* and *Management and administrative services*, the country became the largest supplier of *Travel, food and lodging services* (total \$58 million) and *Politics and civic affairs services* (total \$46 million) to the UN system in 2022.

UNICEF and the UN Secretariat continued to be the main procurers from suppliers in the country and reported a combined procurement of \$1.3 billion (up \$88 million from 2021). UNICEF procured

**Table 3.** Top 10 supplier countries by procurement volume, 2022

Supplier country	Goods 2022 (\$ millions)	Services 2022 (\$ millions)	<b>Total 2022</b> (\$ millions)	Share of UN total 2022 (%)	Total change 2021-2022 (%)
United States of America	1,283.8	1,074.7	2,358.5	8.0%	1.3%
Belgium	1,663.5	84.7	1,748.3	5.9%	77.0%
United Kingdom of Great Britain and Northern Ireland	870.8	434.7	1,305.5	4.4%	79.9%
Denmark	601.6	699.9	1,301.5	4.4%	16.6%
Switzerland	389.9	834.0	1,223.9	4.1%	-28.8%
India	868.8	246.4	1,115.2	3.8%	-10.6%
United Arab Emirates	724.7	298.0	1,022.7	3.5%	28.6%
Türkiye	696.1	183.6	879.7	3.0%	25.9%
France	670.3	169.2	839.6	2.8%	2.4%
Afghanistan	422.6	325.3	747.8	2.5%	113.1%
Top 10 total	8,192.1	4,350.4	12,542.5	42.4%	16.3%
UN total	16,093.6	13,493.2	29,586.8		-0.03%

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\$589 million worth of *Pharmaceuticals, contraceptives* and vaccines, increasing its procurement in the category from the country by \$70 million compared to 2021. WFP increased its procurement from the country by \$54 million and the International Civil Aviation Organization (ICAO) by \$23 million.

Belgium moved up from seventh place in 2021 to become the second-largest supplier country in 2022, with a total of \$1.7 billion – an increase of \$760 million, or 77.0 per cent, compared to 2021. That growth was chiefly driven by increased procurement of *Pharmaceuticals*, *contraceptives and vaccines* from suppliers in the country by UNICEF (up \$676 million compared to 2021), making the country the main supplier in this category for the first time since 2016.

Procurement from suppliers in the United Kingdom of Great Britain and Northern Ireland reached a record high of \$1.3 billion in 2022 – an increase of \$580 million, moving the country from the tenth-largest supplier country to the third. The increase can be attributed largely to the *Pharmaceuticals, contraceptives and vaccines* segment, procurement in which more than tripled compared to 2021 (up from \$171 million to \$761 million in 2022), mainly by UNICEF (up \$592 million). The country also remained the largest supplier in the *Public order and security services* segment (total \$34 million), despite a \$3.3 million decrease.

Procurement from Denmark experienced an increase of \$185 million in 2022 and was only \$4.0 million lower than the United Kingdom of Great Britain and Northern Ireland. Of that increase, \$89 million was in the *IT and communications equipment* segment and \$76 million in the *Transportation, storage and mail services* category. Denmark remained the largest country of UN to UN procurement (procurement with a UN organization as the supplier) in 2022, with a total of \$189 million, down from \$348 million in 2021.

Switzerland moved down one place on the list to be the fifth-largest supplier country, at \$1.2 billion – a decrease of \$495 million compared to 2021. The largest decreases in the country were recorded in the procurement of *Pharmaceuticals*, *contraceptives and vaccines* by UNICEF (down by \$312 million) and *Building and maintenance services* by the International Labour Organization (ILO) (\$125 million lower than in 2021). In contrast, IOM increased its procurement there by \$61 million and WHO by \$57 million, both mainly in the *Transportation, storage and mail services* segment.

Procurement from suppliers in India fell by \$132 million or 10.6 per cent in 2022, due in part to reductions in the procurement of *Pharmaceuticals, contraceptives and vaccines* and *Medical equipment and supplies*. The country was the sixth-largest supplier overall.

The United Arab Emirates moved up from being the ninth-largest supplier country in 2021 to seventh-largest in 2022, with a 28.6 per cent or \$227 million increase compared to 2021. It was the largest supplier country of *Fuels and lubricants*, and procurement in the segment increased by \$196 million in 2022 to reach \$352 million.

France moved from being the eighth-largest to the ninth, with a slight increase of \$20 million, and remained the largest supplier for *Laboratory* and testing equipment (total \$85 million).

Procurement from suppliers in Türkiye rose by \$181 million, reaching an all-time high of \$880 million in 2022. The change can be explained largely by increased procurement by WFP in the country, especially in the *Food and beverage products* category (up by \$63 million in 2022, to a total of \$509 million).

Increased UN activity in Afghanistan led to an additional \$397 million in procurement from suppliers there – a 113 per cent increase compared to the previous year – making the country the largest supplier of *Live plant and animal material* in 2022 (total \$128 million). The main procurers were WFP and FAO, which recorded increases of 139 per cent and 525 per cent, respectively. Afghanistan, the only least developed country in the top 10 list, accounted for 14.0 per cent of total procurement from least developed countries in 2022.

## EMBEDDING SUSTAINABILITY IN THE PROCUREMENT OF COMPUTER EQUIPMENT



Worker in the assembly line Argentina © UNOPS/Julia Ruttimann

Since 2017, the UNOPS office in Argentina has supported the Ministry of Education of the City of Buenos Aires in implementing the "Assistance to the Integral Digital Education Plan". The project aims to deliver high-quality public digital education to over 500 schools throughout the city, with an annual procurement of more than 100,000 pieces of information and communications technology (ICT) equipment.

UNOPS has incorporated a number of sustainable procurement initiatives in the project to maximize its positive impacts and contribute to achieving multiple Sustainable Development Goals (SDGs).

In 2022, UNOPS was requested to procure 40,000 laptops as well as spare parts for the project. In previous procurement processes, laptops had been purchased fully assembled from suppliers. On this occasion, however, the procurement team determined that it would be more beneficial and efficient to require suppliers to assemble the laptops locally. This had the side benefit of creating local employment opportunities, including for women, thus indirectly supporting the achievement of SDGs 5 (Gender equality) and 8 (Decent work and economic growth).

The initiative aimed to optimize key lifecycle costs by considering parameters such as enforcing energy efficiency standards for the ICT equipment; implementing a sustainable packaging plan; ensuring the availability of spare parts; and ensuring that the laptops were manufactured to the highest quality standards.

The success of the tender extended beyond integrating ICT into education. Its procurement practices contributed to multiple SDGs, transforming a transactional project into a comprehensive initiative and showcasing the positive impact of sustainable procurement on gender equality, decent work, clean energy and responsible production.

UNOPS procured \$103 million worth of Computer equipment and accessories in 2022, of which \$11 million was procured from suppliers in Argentina.

#### PROCUREMENT FROM LEAST DEVELOPED COUNTRIES

In 1971, the UN established the category of least developed countries (LDCs) to acknowledge the additional support such countries need. The number of countries on the list peaked at 51 in 1991 and, as of 2022, stood at 46. Those 46 countries are distributed among 4 geographical regions, most of them located in Africa.

Procurement by UN organizations from suppliers in LDCs continued to rise in 2022 and totalled \$5.4 billion – an increase of 19.0 per cent, or \$857 million, compared to 2021. The main organizations procuring from such countries remained unchanged compared to the previous year, and included WFP, UNICEF and UNDP. Combined procurement by those organizations increased by \$407 million, reaching \$3.3 billion in 2022.

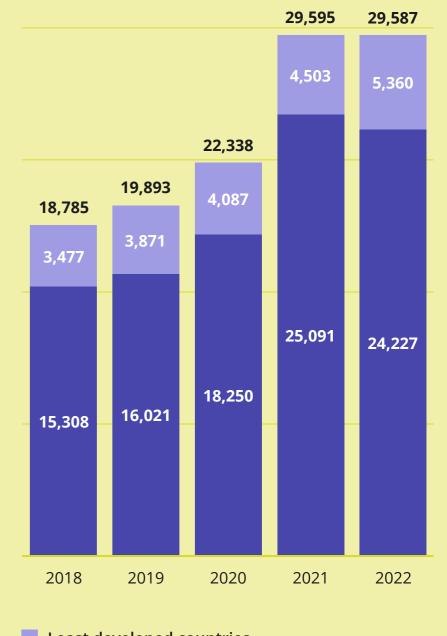
As previously mentioned, Afghanistan had the largest procurement volume among all LDCs in 2022, totalling \$748 million. It was followed by Yemen, with \$699 million, and Ethiopia, with \$495 million. Despite a decrease in procurement from suppliers in Yemen (down by \$21 million), the country remained one of the largest supplier countries in the LDC category. A quarter of the total – \$171 million – was in the *Financial and insurance services* segment,

and \$111 million in the *Transportation, storage* and mail services category. Procurement from suppliers in Ethiopia rose by \$91 million, or 22.7 per cent, compared to 2021, due mainly to increases in the *Transportation, storage* and mail services segment. WFP continued to be the main procurer in the country, with a total of \$196 million in 2022. The largest increases in both absolute and percentage terms were reported by UNOPS (up \$28 million, or 845 per cent, to a total of \$32 million) and FAO (up \$24 million, or 200 per cent, to a total of \$36 million).

Procurement from suppliers in the Democratic Republic of the Congo saw a notable increase in 2022 – up from \$192 million in 2021 to a record high of \$305 million in 2022. The growth can be attributed largely to increased procurement of *Building and maintenance services* by UNDP (up \$99 million).

**Figure 4.** Procurement from least developed countries, 2018-2022

#### \$ millions



Least developed countries

Other countries

**Table 4.** Top 20 countries by procurement volume – least developed countries, 2022

Supplier country	Goods 2022 (\$ millions)	Services 2022 (\$ millions)	<b>Total 2022</b> (\$ millions)	Share of UN total 2022 (%)	Total change 2021-2022 (%)
Afghanistan	422.6	325.3	747.8	2.5%	113.1%
Yemen	138.2	561.3	699.4	2.4%	-2.9%
Ethiopia	129.6	365.0	494.6	1.7%	22.7%
Sudan	150.6	169.5	320.1	1.1%	-6.1%
Democratic Republic of the Congo	65.1	239.8	304.9	1.0%	58.9%
South Sudan	81.6	205.7	287.3	1.0%	1.5%
Uganda	93.7	135.9	229.6	0.8%	23.0%
Bangladesh	98.2	121.7	219.8	0.7%	17.3%
Somalia	31.4	159.3	190.7	0.6%	29.7%
Mozambique	76.6	97.3	173.9	0.6%	25.6%
Niger	72.9	84.5	157.4	0.5%	40.7%
Burkina Faso	77.4	58.6	136.1	0.5%	27.6%
Mali	34.2	97.8	132.0	0.4%	7.2%
Rwanda	82.4	28.4	110.8	0.4%	28.7%
United Republic of Tanzania	45.5	58.7	104.1	0.4%	17.3%
Chad	37.4	62.2	99.6	0.3%	3.8%
Madagascar	41.9	48.4	90.3	0.3%	7.0%
Central African Republic	40.4	46.9	87.3	0.3%	12.4%
Myanmar	55.5	31.1	86.6	0.3%	4.0%
Haiti	27.6	51.8	79.4	0.3%	11.1%
Top 20 total	1,802.6	2,949.0	4,751.6	16.1%	22.5%
LDCs total	1,974.8	3,385.0	5,359.8	18.1%	19.0%
UN total	16,093.6	13,493.2	29,586.8		-0.03%

Apart from the decline in Yemen, the most pronounced decreases in procurement from LDCs were seen in Sudan (down by \$21 million) and Guinea (down by \$8.1 million). In Sudan, the decrease was associated with reduced procurement of *Transportation, storage and mail services*, while in Guinea the fall was mainly reported in the *Building and maintenance services* segment.

Find out more about procurement from LDCs, LLDCs and SIDS

www.ungm.org/asr

# PROCUREMENT FROM LANDLOCKED DEVELOPING COUNTRIES AND SMALL ISLAND DEVELOPING STATES

For the first time, the ASR introduces reporting on procurement from landlocked developing countries (LLDCs) and small island developing states (SIDS). The category of LLDCs encompasses a group of developing countries with no territorial access to the sea, while SIDS are a group of small island developing countries and territories. Both LLDCs and SIDS face connectivity and transportation barriers that lead to social, economic and environmental challenges. Similar to the LDC classification, the LLDCs and SIDS categories were established to acknowledge the unique development challenges those countries face and the concentrated assistance they require. As of 2022, 32 countries were recognized as LLDCs and 53 countries and territories as SIDS (see more about the classifications in the *Methodology* section).

In 2022, UN procurement from LLDCs totalled \$3.3 billion – an increase from \$2.5 billion in 2021. Of that total, 82.2 per cent, or \$2.7 billion, was procured from countries that are both landlocked and least developed countries. Similarly to suppliers in LDCs, the largest supplier country

**Table 5.** Top 10 categories of procurement from LLDCs and SIDS by volume, UNSPSC segment level, 2022

Category (UNSPSC segment level)	Total from LLDCs and SIDS 2022 (\$ millions)	Total from LLDCs 2022 (\$ millions)	Total from SIDS 2022 (\$ millions)
Food and Beverage Products	830.4	660.8	169.6
Transportation, Storage, Mail Services	666.0	580.3	85.7
Building and Maintenance Services	372.7	312.1	60.6
Management and Admin Services	323.7	261.6	62.1
Live Plant and Animal Material	215.0	183.8	31.2
Engineering and Research Services	172.1	144.5	27.7
Travel, Food and Lodging	143.5	113.2	30.4
Public Order and Security Services	103.6	88.7	14.8
Fuels and Lubricants etc.	95.3	91.2	4.1
Pharmaceuticals, Contraceptives, Vaccines	86.1	4.8	81.3
Top 10 total	3,008	2,441	567.5
UN total	4,015	3,278	737.2



among LLDCs was Afghanistan, followed by Ethiopia and South Sudan. The key procurement categories from suppliers in those countries were *Food and beverage products* (total \$661 million) and *Transportation, storage and mail services* (\$580 million).

UN organizations procured goods and services from 51 SIDS countries in 2022, reaching \$737 million in total (up \$98 million, from \$639 million in 2021). Eight of the SIDS countries were also LDCs.

Singapore, the largest supplier country among SIDS, accounted for almost half of procurement from them (total \$348 million). Most of the procurement from suppliers in the country was in the *Food and beverage products* segment, with a total of \$165 million (of which \$92 million was for procurement of edible vegetable and plant oils and fats and \$46 million for cereal and pulse products) – where WFP was the only procuring organization – and in the *Pharmaceuticals*, *contraceptives and vaccines* segment, with a total of \$81 million, mainly by UNICEF.

Haiti, the second-largest supplier among SIDS countries, experienced an 11.1 per cent increase compared to 2021 and reached \$79 million in 2022. The key categories for procurement from suppliers in the country were *Management and administrative services* (\$8.8 million), *Building and maintenance services* (\$8.3 million) and *Transportation, storage and mail services* (\$8.0 million).

HOW DO WE DO PROCUREMENT WITHIN THE UNITED NATIONS SYSTEM?



## PROCUREMENT BY ORGANIZATIONS OF THE UNITED NATIONS SYSTEM

Out of 31 UN organizations reporting in 2022, 15 recorded a growth in procurement volume, with a combined increase of \$2.6 billion compared to 2021 (see Table 6).

UNICEF remained the largest procuring organization for the fourth consecutive year, reaching a total of \$7.4 billion – \$203 million more than in 2021. It continued to be the main procurer of *Medical equipment and supplies* with an additional \$58 million compared to 2021 (total \$918 million) but reported a \$335 million decrease in *Pharmaceuticals, contraceptives and vaccines*, following an increase in 2021 linked to procurement of COVID-19 vaccines. The largest UNICEF increases were reported in *Transportation, storage and mail services* (up 23.0 per cent, or \$73 million) and *Travel, food and lodging* (up 189 per cent, or \$73 million).

UNICEF reported sizeable changes in procurement volume by country, which had a material impact on overall UN procurement volumes in those countries. For example, its procurement from suppliers in Belgium rose by \$673 million and from those in the United Kingdom of Great Britain

Table 6a. Procurement by UN organization with procurement volume above \$100 million, 2022

Organization	<b>Total 2022</b> (\$ millions)	Total change 2021-2022 (%)	Share of procurement from least developed countries 2022 (%)	Share of procurement from LDCs/LLDCs/ SIDS 2022 (%)
UNICEF	7,383.4	2.8%	12.9%	14.8%
WFP	6,023.4	22.5%	29.3%	36.6%
UN Secretariat	3,128.6	14.6%	11.6%	12.6%
UNDP	2,830.6	7.8%	19.2%	27.8%
UNOPS	1,753.0	-54.3%	17.2%	19.6%
WHO	1,634.6	-1.4%	16.8%	21.9%
UNHCR	1,431.4	6.9%	18.3%	19.7%
РАНО	1,348.6	-18.6%	0.9%	3.5%
IOM	1,191.9	19.6%	27.0%	29.4%
FAO	719.9	60.5%	51.0%	58.5%
UNFPA	456.1	23.4%	13.4%	17.1%
UNRWA	305.8	10.1%	0.2%	0.2%
ILO	266.3	-34.9%	18.1%	24.5%
UNESCO	176.1	-9.3%	17.5%	20.7%
UN Women	172.9	9.7%	18.3%	27.2%
IAEA	169.5	-18.2%	0.2%	1.4%
UNIDO	157.9	4.1%	8.4%	10.9%
WIPO	129.0	-3.8%	0.3%	0.9%

and Northern Ireland by \$603 million, while procurement from suppliers in Indonesia and Ukraine increased by \$113 million and \$69 million, respectively. On the other hand, UNICEF procurement from suppliers in China was \$1.1 billion less than in 2021, and there were reductions of \$344 million and \$316 million from Swiss and Swedish suppliers, respectively.

WFP, which reported the highest increase in absolute terms – from \$4.9 billion in 2021 to \$6.0 billion in 2022 – was the second-largest organization by procurement volume. The growth was driven by increased procurement of *Food and beverage products* (up \$1.2 billion), due in particular to the expansion of food aid activities in response to continuing emergencies in Afghanistan and Ukraine. Additionally, WFP procurement of *Transportation, storage and mail services* went up by \$100 million compared to 2021.

Procurement by the UN Secretariat, previously reported under 11 different entities, rose by \$399 million or 14.6 per cent compared to 2021, making it the third-largest procuring organization. The growth was attributable largely to increased procurement in *Fuels and lubricants* (up \$215 million, or 91.9 per cent) and *Travel, food and lodging* (up \$152 million, or 141 per cent). *Transportation, storage and mail services* saw a less notable increase of \$44 million, or 8.1 per cent, but remained the largest procurement category for the organization with a total of \$586 million.

**Table 6b.** Procurement by UN organization with procurement volume below \$100 million, 2022

Organization	<b>Total 2022</b> (\$ millions)	Total change 2021-2022 (%)	Share of procurement from least developed countries 2022 (%)	Share of procurement from LDCs/LLDCs/ SIDS 2022 (%)
ICAO	61.5	74.7%	0.2%	0.3%
IFAD	55.9	-5.4%	10.6%	10.9%
UNAIDS	40.6	5.3%	14.5%	21.2%
ITU	30.1	19.5%	1.3%	2.0%
OPCW	23.6	-40.4%	0.8%	1.0%
WTO	23.2	-15.8%	0.0%	0.0%
UNFCCC	17.4	-24.2%	0.0%	0.3%
WMO	13.1	-11.0%	0.4%	0.9%
IMO	12.6	-14.4%	0.0%	2.8%
UPU	11.2	-10.6%	1.1%	4.6%
UNV	7.8	-20.0%	0.5%	0.9%
UNU	6.9	-31.6%	0.7%	0.9%
UNWTO	4.0	68.3%	0.0%	1.2%
UN Total	29,586.8	-0.03%	18.1%	22.1%

Note: Calculation of share of procurement from LDCs, LLDCs and SIDS excludes data where the supplier country is unknown. UN Secretariat includes entities previously reported separately as: ECLAC, ESCAP, ESCWA, IRMCT, ITC, UNAKRT, UNECA, UNOG, UNON, UNOV and UNPD.

Find out more about procurement activities of each UN organization

www.ungm.org/asr



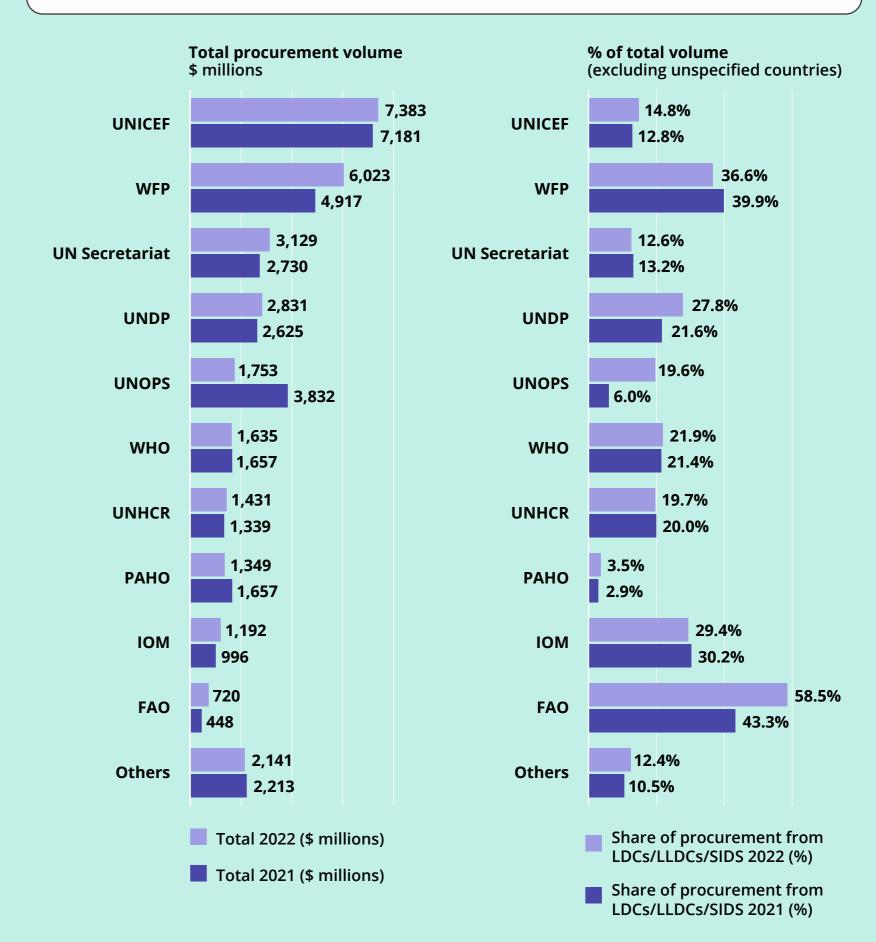
UNDP procurement increased by \$206 million, mainly in *Building and maintenance services* due to large-scale construction projects in Albania and Serbia, as well as in *Travel, food and lodging* due to increased activities following the easing of COVID-19-related restrictions.

In percentage terms, the highest increase in procurement volume was recorded by ICAO – up by 74.7 per cent, from \$26.3 million in 2021 to \$62 million in 2022, due to a number of high-value projects related to aircraft and airport facilities. FAO increased its procurement by 60.6 per cent in 2022, to a total of \$720 million. The growth was most prominent in the *Live plant and animal material* segment, driven mainly by the high quantities of chemical fertilizers, seeds, and animal feed needed to respond to the emergencies in Afghanistan, Ethiopia and Yemen. The World Tourism Organization (UNWTO) likewise recorded an increase of over 60 per cent compared to 2021.

In contrast, 16 organizations reported lower procurement volumes in 2022 than in 2021, decreasing by a combined total of \$2.7 billion. Decreases were most prominent in *Pharmaceuticals, contraceptives and vaccines* and *Medical equipment and supplies* – categories that saw record growth in 2021 due to increased procurement in response to the COVID-19 pandemic.

The largest reduction was reported by UNOPS, whose procurement returned to the 2020 level after record procurement in 2021 influenced by the large health project in Mexico. PAHO experienced a decrease of \$308 million, or 18.6 per cent, compared to 2021, mainly in *Laboratory and testing equipment* and *Pharmaceuticals, contraceptives and vaccines*, including COVID-19 vaccines. ILO saw a decrease of \$143 million, or 34.9 per cent, due largely to reduced procurement in *Building and maintenance services* following an increase in 2021 linked to a building renovation project.

**Figure 5.** Procurement by UN organizations from LDCs, LLDCs and SIDS, 2021-2022 (top 10 organizations by total procurement volume)



#### INTEGRATION OF SUSTAINABILITY CRITERIA IN TENDERS FOR INNOVATIVE SOLUTIONS



WIPO contractor using the implemented cleaning system Switzerland © WIPO/Berrod

The World Intellectual Property Organization (WIPO) incorporates sustainability in many aspects of its operations and activities, including procurement. Depending on the nature and use of the products or services being procured, sustainable products or services may be prioritized, and suppliers are encouraged to seek sustainable solutions where possible.

As part of this approach, WIPO integrated environmental criteria into the tender process for cleaning service providers at its Geneva headquarters. The selected supplier was contractually obligated to ensure that cleaning supplies, equipment and cleaning techniques were environmentally friendly and promoted water conservation. The supplier implemented an innovative cleaning system that eliminated the need for traditional cleaning chemicals, transforming tap water into ozonated water, a powerful cleaning agent for hard surfaces and floors that eliminates up to 99.9 per cent of bacteria.

By using the system on a daily basis, WIPO was able to minimize its environmental impact in several ways. These included reducing the use of cardboard packaging and water; eliminating single-use plastics and chemical waste; and significantly decreasing emissions from transportation. Moreover, use of the system eliminated the need for mixing and pouring, thus minimizing health risks and training requirements.

This cost-effective solution significantly changed WIPO cleaning practices, exemplifying its sustainable procurement policies and their wide-reaching benefits.

WIPO procured \$713,000 worth of Industrial cleaning services and Cleaning equipment globally in 2022.

### COLLABORATIVE PROCUREMENT

In response to General Assembly Resolution 71/243 on the Quadrennial Comprehensive Policy Review, information on collaborative procurement has been collected since 2016. The resolution called on organizations to intensify their synergies and inter-organization efforts. It requested UN system entities to explore further opportunities for collaborative procurement at global, regional and country levels. The resolution was reinforced by the mutual recognition statement, to which many UN organizations are signatories.

The objective of collaborative procurement is to achieve reduced prices or better service through economies of scale and to minimize inefficiency and duplication across UN organizations.

Reporting collaborative procurement data at a transactional level does present technical challenges for some organizations, making it difficult to determine the exact volume of collaborative procurement. The reported figures are therefore likely to represent a conservative estimate of the level of collaboration within the UN system.

For the second consecutive year, all reporting organizations used collaborative procurement

Figure 6. Collaborative procurement reported by organizations (top 10 procuring organizations)

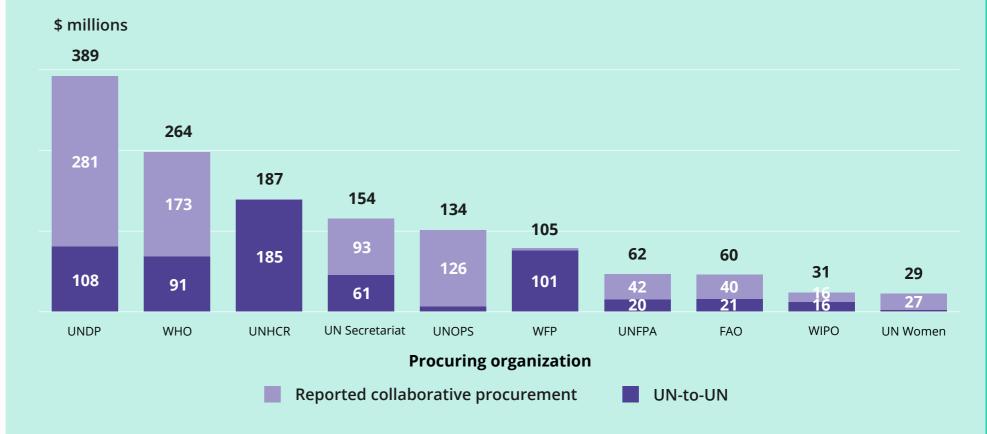
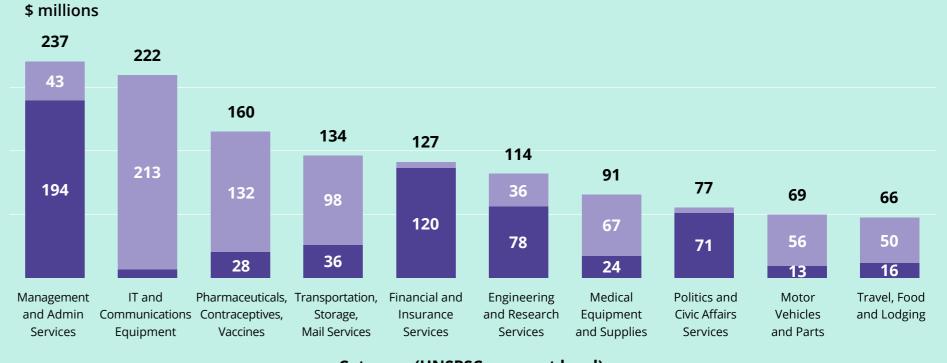


Figure 7. Collaborative procurement reported by category (top 10 UNSPSC segments procured)



#### Category (UNSPSC segment level)

Reported collaborative procurement UN-to-UN

Figure 8. UN to UN procurement 2022 by supplier country and supplying UN organization



Find out more about UN collaboration in procurement

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approaches, recording a total of \$1.5 billion in collaborative procurement – an increase of \$394 million from \$1.1 billion in 2021. Of the total, \$712 million came from an organization procuring goods and services from another UN organization ('UN-to-UN procurement'), while \$824 million was for collaborative activities outside UN-to-UN procurement. Further analysis breaks down total collaborative procurement into those two categories.

The number of organizations able to indicate collaborative procurement in their submissions increased from 20 in 2021 to 25 in 2022. That contributed to a record \$603 million increase in reported collaborative procurement – from \$220 million in 2021 to \$824 million in 2022.

The increase was in large part driven by UNDP, which reported collaborative procurement in the submission for the first time in 2022 and had the highest amount of such procurement – \$281 million in total. This was followed by WHO and UNOPS, whose reported collaborative procurement more than doubled in 2022 to a total of \$173 million and \$126 million, respectively.

The category with the highest volume of recorded collaborative procurement was *IT* and communications equipment, similar to the previous years, with an additional \$167 million in 2022. *Pharmaceuticals, contraceptives and vaccines* was the second-largest category, mainly

due to WHO, which recorded a \$107 million increase. *Transportation, storage and mail services* experienced a less notable increase compared to 2021 (up \$67 million) but remained one of the top three categories of collaborative procurement. Denmark, hosting one of the main hubs of the UN system, continued to be the largest supplier country for reported collaborative procurement in these categories and overall, with a total supplied volume of \$349 million in 2022.

While reported collaborative activities saw a significant increase in 2022, procurement where an organization procured goods and services from another UN organization fell by \$210 million, or 22.8 per cent, compared to 2021.

The main decrease was recorded in *Pharmaceuticals, contraceptives and vaccines* (down by \$148 million) – the third-largest category under UN-to-UN procurement in 2021 – which fell to sixth place in 2022. WHO reported a \$138 million decrease in procurement in this category from other UN organizations.

Despite an overall decrease, some key categories of UN-to-UN procurement experienced an increase in 2022. *Management and administrative services* rose by \$5.9 million to a total of \$194 million, due mainly to UNDP procurement of such services from WFP and UNOPS. *Financial and insurance services* grew by \$3.2 million (total \$120 million), due mostly to the Office of the United Nations High Commissioner

for Refugees (UNHCR), which recorded \$4.4 million more in procurement, primarily from UNOPS. *Engineering and research services* saw an \$8.2 million increase compared to 2021 (total \$78 million), driven largely by WFP and UNDP.

The largest supplier organization in the UN-to-UN procurement category was UNOPS, with \$172 million worth of goods and services supplied to other UN organizations (up \$9.6 million compared to 2021), largely in the segment of *Financial and insurance services* (\$114 million). UNDP was the second-largest supplier to other UN organizations, totalling \$83 million in 2022, the main supplies being in *Management and administrative services* (\$21 million) and *Politics and civic affairs services* (\$20 million). UNDP was followed by UNICEF, with \$75 million, of which \$24 million was for *Pharmaceuticals, contraceptives and vaccines*.

The five countries seeing the largest amount of UN-to-UN procurement had a combined total of \$490 million in 2022 – a decrease of \$194 million compared to 2021. The composition of the top five remained similar to the previous year with the exception of Burundi, which was replaced by Yemen.

Supply chain management collaboration is a form of collaboration distinct from those activities outlined previously, following the definition by the High-Level Committee on Management

Procurement Network (HLCM-PN). UNICEF is the only organization that reports this type of collaboration. In 2022, 80 per cent of its goods procurement volume, totalling \$4.4 billion, was conducted in collaboration with other UN organizations and development partners. The increase compared to prior years was due mainly to the massive procurement of COVID-19 vaccines and related immunization equipment.

#### EMPOWERMENT OF THE LOCAL COMMUNITY THROUGH THE EMPLOYMENT INTENSIVE INVESTMENT PROGRAMME



Local community at the project kickoff event Papua New Guinea © ILO-EU STREIT PNG/Rua Puka

The Employment Intensive Investment Programme, implemented by ILO, through the European Union Support to Rural Entrepreneurship, Investment and Trade initiative, aims to enhance sustainable and inclusive economic development and promote job creation in Papua New Guinea. The programme focuses particularly on women, youth and climate change.

Under the programme, ILO has built the capacity of 85 local contractors throughout Papua New Guinea, enabling their participation in a competitive bidding process for a road rehabilitation and maintenance project. The project aims to ensure all-weather connectivity and resilience to climate change impacts across a 190-kilometre stretch of road, benefitting approximately 112,000 individuals, who reside within the zone of influence. It includes intensive environmental mitigation measures, adapting slope stability in hill slopes with tailored civil engineering and bioengineering techniques.

In 2022, through the implementation of an e-tendering process, ILO awarded 12 contracts to local contractors. The contracts included considerations for gender equality, and ensured that 50 per cent of the employment was provided to the youth of the local community.

The contracts are expected to generate 320,000 work days of employment for local people, injecting an estimated \$3.9 million into the local economy. Additionally, the improved road connectivity will significantly reduce transportation costs by an expected 50 per cent, and will provide reliable market access for approximately 10,462 hectares of cocoa and vanilla production areas.

### SUSTAINABLE PROCUREMENT

Since the adoption of the sustainable procurement statement by the HLCM-PN in 2009, sustainable procurement has become increasingly prominent and important within UN organizations. It goes beyond the selection of products to procure, encompassing the way they are procured and from whom.

Since 2008, the ASR has included data on the extent to which sustainability considerations are incorporated into the procurement processes of UN organizations, as reported voluntarily. For the first time in 2022, information about the actions of individual organizations is published. The following is a summary of the key trends in 2022. Detailed information can be found on the ASR website.

Out of 31 participating organizations, 29 submitted sustainable procurement information. UN Women and the International Atomic Energy Agency (IAEA) did not report on this occasion.

Over the past three years, there has been a consistent focus on formalizing the implementation of sustainable procurement by adopting policies that incorporate sustainability considerations.

In 2022, 24 out of 29 organizations reported the implementation of formal sustainable procurement

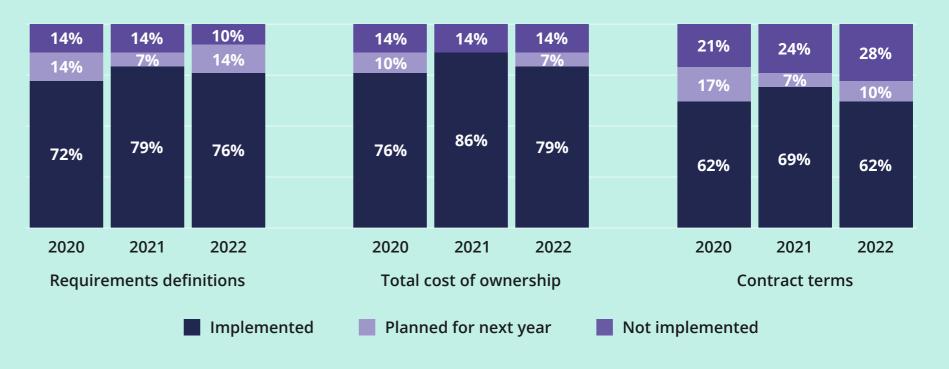
Figure 9. Progress in the adoption of sustainable procurement policy, strategy and targets, 2020-2022

#### Share of reporting organizations



**Figure 10.** Progress in the integration of sustainable procurement in the procurement process, 2020-2022

#### Share of reporting organizations





policies in their procurement processes (up 14 per cent compared to 2021). Two additional organizations plan to develop and implement such policies in 2023.

The share of organizations that have adopted or plan to adopt a formal procurement strategy or set measurable sustainability targets or objectives remained largely unchanged compared to 2021. However, about half of the participating organizations reported efforts to reduce greenhouse gas emissions and their carbon footprint in procurement and supply chains through the development and implementation of new sustainable procurement strategies and targets, as well as collaboration with suppliers.

Building internal capacity is an important pillar of sustainable procurement implementation. In 2022, 16 out of 29 organizations reported training their procurers in sustainable procurement practices during the previous 3 years. Organizations highlighted an increased number of face-to-face activities and sessions conducted in collaboration with other UN organizations.

The share of UN organizations that made or planned to make additional investments in enhancing their internal capacity for sustainable procurement increased by 12 per cent compared to 2021. The most common investments reported by organizations were the recruitment of

personnel dedicated to supporting sustainable procurement and provision of relevant training, and the enhancement of e-procurement systems and software tools.

The integration of sustainability criteria into the requirements definitions is another crucial element in implementing sustainable procurement. It ensures that the goods, services, or works procured have a reduced environmental impact, promote social responsibility, lead to long-term cost savings, and create value for beneficiaries. In 2022, the share of organizations that had included or planned to include sustainability criteria in requirements definitions increased slightly – from 86 per cent in 2021 to 90 per cent in 2022. The proportion of organizations that included sustainability criteria in the requirements of technical procurement areas (project-related needs or services) and administrative procurement categories (procurement for regular business operations including paper, computers and furniture) remained largely unchanged, with approximately one third of organizations incorporating sustainability criteria in over 20 per cent of their procurement processes.

With the increasing focus on sustainability in procurement, 22 out of 29 reporting organizations incorporated all 3 dimensions of sustainability considerations in procurement, namely environmental, economic and social. Five additional organizations included at least

**Table 7.** Status of the inclusion of the sustainability considerations in procurement, 2022

Organization	Dimensions of sustainability considerations in procurement	Integration of sustainability criteria (i.e. environmental, social or economic)	Estimated share of po included sustainab requirements o	ility criteria in
	in procurement	in its requirements definitions	Procurement for administrative areas (%)	Procurement for technical areas (%)
FAO	Ø 22 Bo	Yes	21% - 50%	No data
ICAO	Ø 22 Es	Yes	11% - 20%	11% - 20%
IFAD	Ø 22 Es	Yes	76% - 100%	Not applicable
ILO	Ø 26 B	Yes	76% - 100%	76% - 100%
IMO	Ø 22 Es	No	-	-
IOM		Planned for 2023	-	-
ITU	<b>88 €</b> 6	Yes	11% - 20%	21% - 50%
OPCW	Ø	Yes	76% - 100%	21% - 50%
РАНО	<b>8</b> 8	Planned for 2023	-	-
UNAIDS	<b>8</b> 8	Yes	21% - 50%	51% - 75%
UNDP	Ø 22 Bo	Yes	No data	Not applicable
UNESCO	Ø 22 Bo	Yes	11% - 20%	11% - 20%
UNFCCC	Ø 22 Es	Yes	76% - 100%	76% - 100%
UNFPA	<b>8</b> 8	Yes	No data	Not applicable
UNHCR	Ø 22 Bo	Yes	No data	No data

Continued on next page







two of those dimensions. Compared to the previous year, the inclusion of economic considerations in procurement processes increased by 4 per cent, whereas social considerations showed a negative trend, decreasing by 7 per cent.

Examples of inclusion of other sustainability considerations in procurement include the UNOPS supplier sustainability screening, and a pilot e-waste project implemented by IOM in partnership with the private sector.

Including sustainability-related content in contract clauses helps drive sustainable practices and ensures that suppliers are bound by specific obligations and commitments to meet sustainability goals and criteria. From 2021 to 2022 there was a slight decrease – from 69 per cent to 62 per cent – in the share of organizations including or planning to include sustainabilityrelated content in contract clauses. The 'total cost of ownership' in the financial evaluation of tenders remains widely used by the reporting UN organizations. In 2022, 79 per cent of the organizations implemented total cost of ownership as part of their procurement processes, and around half of the organizations use it in more than 20 per cent of their procurement activities.

The private sector plays a critical role in the shift to sustainable consumption and production patterns.

Table 7. Continued from previous page

Organization	Dimensions of sustainability considerations in procurement	Integration of sustainability criteria (i.e. environmental, social or economic)	Estimated share of procurement that included sustainability criteria in requirements definitions	
	in procurement	in its requirements definitions	Procurement for administrative areas (%)	Procurement for technical areas (%)
UNICEF	Ø 22 B	Yes	76% - 100%	76% - 100%
UNIDO	Ø 23 B	Yes	No data	No data
UNOPS	Ø 26 Es	Yes	76% - 100%	51% - 75%
UN Secretariat	Ø 26 Es	Yes	No data	No data
UNRWA	Ø 22 E9	Planned for 2023	-	-
UNU	Ø 22 🗟	Yes	No data	Not applicable
UNV	Ø 22 🗟	Yes	11% - 20%	6% - 10%
UNWTO	-	No	-	-
UPU	Ø 22 🗟	No	-	-
WFP	Ø 22 🗟	Yes	11% - 20%	No data
WHO	Ø 22 🗟	Planned for 2023	-	-
WIPO	Ø 22 🗟	Yes	-	-
WMO	Ø 22 B	Yes	0% - 5%	51% - 75%
WTO	Ø 22 🗟	Yes	0% - 5%	Not applicable

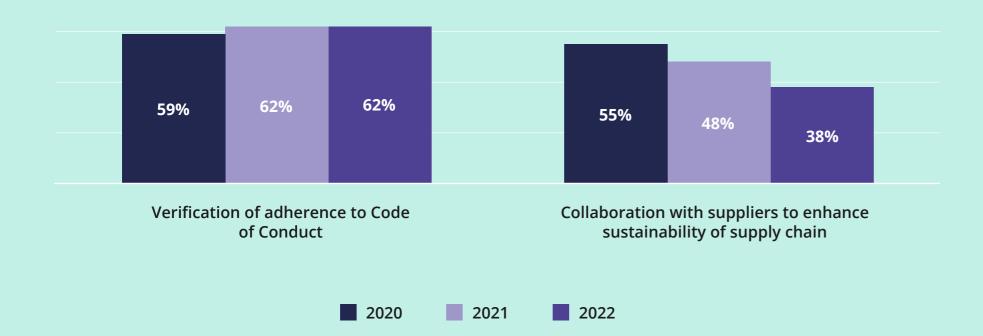


Social



Figure 11. Status of supplier engagement, 2020-2022

#### Share of reporting organizations



Although collaboration with suppliers to enhance the sustainability of the supply chain shows a year-on-year decrease, supplier engagement through the UN Supplier Code of Conduct remained constant in 2022, with 62 per cent of reporting UN organizations conducting verifications. The three principal ways organizations checked suppliers' adherence to the Code of Conduct were: using a supplier questionnaire; maintaining the United Nations Global Marketplace (UNGM) roster; and conducting site visits, carried out by either the organization or a third party.

# 322 Annual Statistical Report on United Nations Procuremen

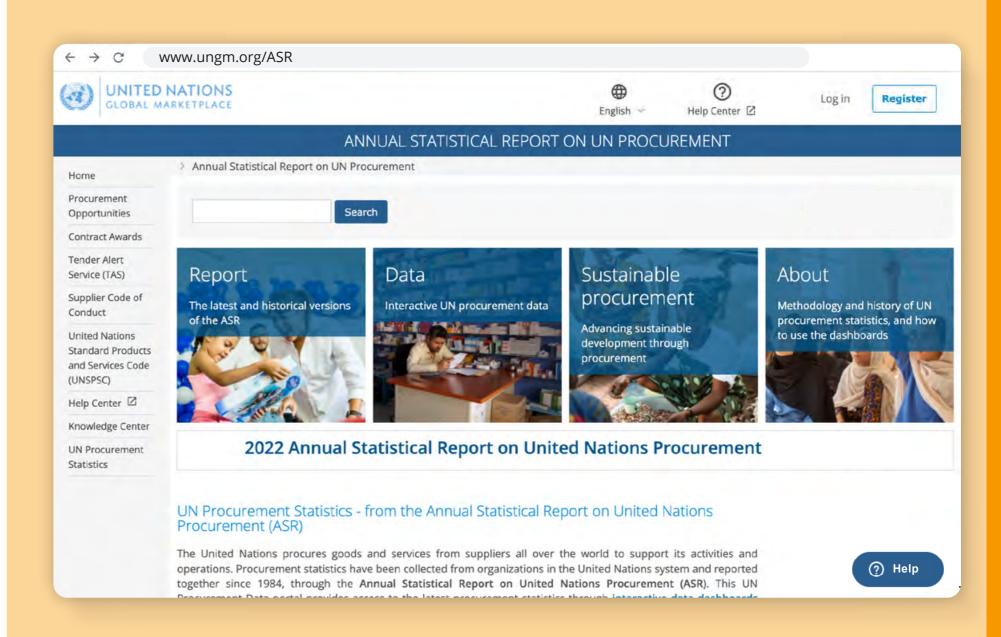
## FIND OUT MORE



#### FIND OUT MORE

The insights in this report only scratch the surface of the data available in the ASR. Online interactive and user-friendly dashboards containing procurement data from 2013 to 2022 are available on the UNGM website. These dashboards provide you with the ability to delve deeper into procurement statistics, analyze procurement from certain countries, organizations and spend categories, find details of major contracts and much more.

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



Find out more at

www.ungm.org/asr

# 2022 Annual Statistical Report on United Nations Procurement

### APPENDIX



#### **METHODOLOGY**

#### **PARTICIPANTS**

For the 2022 report, procurement data was reported for 31 organizations. Where this report refers to procurement by the UN system or by UN organizations, it refers to the procurement activities of those 31 organizations. The participating organizations in this reporting year are displayed in Table 8.

There has been no change to the organizations reporting in the ASR in 2022 compared to 2021; however, the way the data for some organizations is presented has changed. The procurement of 11 UN Secretariat entities has been aggregated and reported as one organization under 'UN Secretariat'. For this reason, it appears there has been a reduction in the number of organizations from 41 in 2021, but this is solely due to the aggregation of these entities. The UN Secretariat entities and their procurement volume in 2022 and 2021 are displayed in Table 9.

#### PROCUREMENT DATA

UNOPS requests statistical data on the procurement of goods and services for operational activities from UN organizations in the form of data on purchase orders raised in the reporting calendar year. Procurement is defined (as per the UN Procurement Practitioner's Handbook)

**Table 8.** Participating organizations, 2022

FAO	Food and Agriculture Organization of the United Nations
IAEA	International Atomic Energy Agency
ICAO	International Civil Aviation Organization
IFAD	International Fund for Agricultural Development
ILO	International Labour Organization
IMO	International Maritime Organization
IOM	International Organization for Migration
ITU	International Telecommunication Union
OPCW	Organisation for the Prohibition of Chemical Weapons
РАНО	Pan American Health Organization
UN Secretariat	United Nations Secretariat
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change
UNFPA	United Nations Population Fund
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization

as the acquisition through purchase or lease of real property, goods or other products (including intellectual property), works or services.

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

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

While UN organizations may have different systems and methodologies for recording and reporting on procurement data individually, for the purposes of the ASR, a common definition of procurement is used and data is collected in a standardized format. Some organizations may therefore publish procurement statistics that differ from those published in the ASR. For example UNDP, in addition to its own direct procurement portfolio, includes National Implementation Modality (NIM) – a distinct activity of UNDP – in its own procurement data (you can find more information about this on UNDP's website).

**Table 8.** Continued from previous page

UNOPS	United Nations Office for Project Services
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UNU	United Nations University
UNV	United Nations Volunteers
UNWTO	World Tourism Organization
UPU	Universal Postal Union
WFP	World Food Programme
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WMO	World Meteorological Organization
WTO	World Trade Organization

However, NIM is not included in UNDP's statistics for the ASR.

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

#### PROCUREMENT VOLUME AND CURRENCY

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

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

- 1.00 USD = 0.949 EUR
- 1.00 USD = 0.954 CHF

**Table 9.** UN Secretariat entities, 2022

		Total 2022 (\$ millions)	Total 2021 (\$ millions)
ECLAC	Economic Commission for Latin America and the Caribbean	11.8	9.4
ESCAP	Economic and Social Commission for Asia and the Pacific	34.7	16.9
ESCWA	Economic and Social Commission for Western Asia	10.0	12.9
IRMCT	International Residual Mechanism for Criminal Tribunals	12.0	15.2
ITC	International Trade Centre	29.2	23.7
UNAKRT	United Nations Assistance to the Khmer Rouge Trials	2.5	0.9
UNECA	United Nations Economic Commission for Africa	36.3	28.4
UNOG	United Nations Office at Geneva	191.9	180.2
UNON	United Nations Office at Nairobi	80.2	64.3
UNOV	United Nations Office at Vienna	119.7	93.0
UNPD	United Nations Procurement Division	2,600.2	2,284.7
UN Secreta	riat	3,128.6	2,729.6

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

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

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

#### **CATEGORIZATION**

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

In 2022, reporting organizations made further progress in specifying UNSPSC categories for procured goods and services. The reported amount attributed to unspecified categories totalled \$14 million or 0.1 per cent of total procurement. In addition, where categories are known, the amount of goods and services reported at the most general segment level decreased from 15.7 per cent, or \$4.6 billion in 2021, to 13.7 per cent, or \$4.1 billion in 2022. The specificity of reported procurement within a category varies based on the organization and category concerned. Care should be taken when analyzing data at more specific levels, as it may not be a true representation of total spend in that sub-category.

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

 The Pharmaceuticals, contraceptives and vaccines and Medical equipment and supplies UNSPSC segments both have portions related to veterinary products that are grouped under the Food and Farming sector while the rest is reported under Health.

- The Transportation, storage and mail services segment is divided between the sectors Transportation and Storage and Travel, Accommodation and Catering Services, to distinguish between transportation of goods and people.
- The Management and administrative services segment is split between the sectors Administration and Operations and Finance, Insurance and Real Estate.
- The Engineering and research services segment is split between Construction, Engineering and Science, Media, IT and Communications, Administration and Operations, and Transportation and Storage.
- The Motor vehicles and parts segment is divided between the Motor Vehicles, Industrial Machinery and Heavy Equipment sector and the Transportation and Storage sector.
- The Apparel, luggage and personal care segment is split between Health and Other Goods and Services.

More information about the categorization used for the ASR can be found on the **UNGM website**.

#### SUPPLIER COUNTRY

Throughout this report, the terms 'country' or 'countries' refer to countries and territories. Unless otherwise stated, they refer to supplier countries reported by the submitting organization. Tables and charts show UN Member States only – other

countries or territories are grouped and displayed as 'remaining countries'.

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

For analytical purposes, the ASR uses the country categorizations of least developed countries (LDCs), landlocked developing countries (LLDCs) and small island developing states (SIDS), following the M49 standard as current at the end of the reporting period. There is no established convention for the definition of countries and areas that are considered LLDCs or SIDS. The current composition of countries and areas in the LLDC and SIDS groups was set at the beginning of the Sustainable Development Goals reporting period based on various definitions available at the time.

The designations employed do not imply the expression of any opinion whatsoever on the part of the UN concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. The assignment of countries or areas to specific groupings is for statistical convenience and does not imply any assumption regarding political or other affiliation of countries or territories by the UN.

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

In 2022, the supplier country was specified for 99.94 per cent of the total UN procurement. Of total procurement from unspecified countries, 99.96 per cent could be attributed to a region.

For analysis where comparisons are made between supplier country and total procurement (for example, the proportion of procurement from developing countries as a percentage of procurement from all countries), adjustments have been made to only include data where the supplier country is known. For more information on country designations for the ASR, visit the ASR website.

#### SUPPLIER NAMES

Supplier names are published in the data on major contracts on the ASR website.

Where organizations are unable to provide the name of the supplier, the data is reported under 'Unspecified Supplier'. If the supplier name is protected for security reasons, the supplier name is reported under 'Name withheld for security reasons'. If the publication of the supplier name together with other contract-related information

could potentially breach confidentiality agreements, the supplier is reported under 'Name withheld for confidentiality reasons'. If the supplier is an individual, the name is reported as 'Name withheld for privacy reasons'. Reporting organizations are responsible for withholding relevant supplier names before submitting their data to UNOPS for processing and publication.

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

#### COLLABORATIVE PROCUREMENT

Collaborative procurement data collected from organizations is consistent with the definition of common procurement set out in the 2015 'Harmonizing UN Procurement: Common UN Procurement at the Country Level' guidelines by the HLCM-PN Working Group on Harmonization.

The types of common procurement considered in the document are:

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

- Using procurement services of other UN organizations
- Procuring from another UN organization
- Using a joint procurement unit

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

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

- Sharing technical requirements (specifications, terms of reference, statement of works) or developing common technical and performance requirements
- Leveraging technical expertise of other UN organizations and non-UN partners to collaborate on quality assurance of products and services
- Joint forecasting, logistics and warehousing with UN and non-UN partners for the purpose of market shaping activities or joint assessments of manufacturers' capacity with UN and non-UN partners
- Joint strategies with UN and non-UN partners,
   e.g., to stimulate and create product

development and markets, and to ensure product tracking.

Information on supply chain management collaboration is submitted separately by reporting organizations. No data on supply chain management collaboration was submitted for 2022.

#### SUSTAINABLE PROCUREMENT

As in previous years, to enable reporting on the extent to which UN organizations have integrated sustainability considerations into their procurement processes, a voluntary online survey was conducted in parallel with the data collection process for the ASR. For the first time in 2022, achievements of specific organizations are published in addition to aggregated data. Responses previously reported separately by ECLAC, ESCAP, ESCWA, IRMCT, ITC, UNAKRT, UNECA, UNOG, UNON, UNOV and UNPD were consolidated and submitted as one under 'UN Secretariat'.

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

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

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



This document is available online at <a href="www.ungm.org/asr">www.ungm.org/asr</a> and <a href="www.unops.org">www.unops.org</a>.

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