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Annual statistical report on United Nations procurement, 2020

Summary

The Executive Director of UNOPS submits the present report on procurement by organizations in the United Nations system to the Executive Board pursuant to its decision 2007/38. The complete annual statistical report on United Nations procurement may be obtained in the language of submission from the Executive Board secretariat and at the United Nations Global Marketplace website (<http://www.ungm.org/ASR>).

The same 39 organizations submitted data for inclusion in the annual statistical report, 2020, as in 2019. They procured goods and services worth \$22.3 billion in 2020, an increase of 12.3 per cent, or \$2.4 billion, compared to 2019. The share of procurement from developing countries, countries with economies in transition and least developed countries was 61.5 per cent.

The annual statistical report, 2020, contains:

- (a) a trend analysis of United Nations procurement by organization, goods and services, sector and category of goods and services, countries, and regions of supply;
- (b) analysis of the COVID-19 pandemic impact on procurement activities;
- (c) analysis of United Nations procurement from suppliers in countries with economies in transition, developing countries, and least developed countries;
- (d) analysis of collaborative procurement between United Nations organizations;
- (e) analysis of sustainable procurement practices in the United Nations system.

In addition, the annual statistical report website contains interactive dashboards allowing users to access data on procurement by United Nations organization, country of supply, and procurement category, as well as details of the procurement of major goods and services (over \$30,000).

Elements of a decision

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

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Notes

1. Full notes on the methodology for data collection and presentation are available at <http://www.ungm.org/ASR>.
2. Where this report refers to procurement by the United Nations, the United Nations system, or United Nations organizations, it refers to the procurement activities of the 39 organizations that submitted procurement data for the annual statistical report, 2020.
3. Procurement is defined as the acquisition through purchase or lease of real property, goods or other products (including intellectual property), works, or services. While United Nations organizations may have different systems and methodologies for recording and reporting on procurement data individually, for the annual statistical report a common definition of procurement¹ is used, and data is collected in a standardized format. Some organizations may publish procurement statistics that differ from those published in the annual statistical report, while some have limitations on the level of detail they are able to provide.
4. Purchase orders and contracts for services are reported by contract amount, not by expenditures incurred.
5. For categorization of goods and services the present report uses the United Nations Standard Products and Services Code² standard, a publicly available multi-sector standard classifying goods and services, at the most detailed level possible. Some code names have been shortened or modified.
6. Throughout the report, the terms ‘country’ and ‘countries’ refer to countries and territories. Unless otherwise stated, they refer to supplier countries reported by the submitting organization. Country names, as well as their designation by geographic region, follow the standard country or area codes for statistical use referred to as the ‘M49 standard’³ (prepared by the Statistics Division of the United Nations Secretariat). For analytical purposes, the report classifies all countries into one of four broad categories: developed countries; developing countries; countries with economies in transition; and least developed countries. The report follows the country categorizations defined by UNCTADstat⁴ – with the exception of least developed countries, for which the M49 standard is followed. The designations employed do not reflect any opinion on the part of the United Nations concerning the legal status of any country, territory, city, area, or its authorities, or the delimitation of its frontiers or boundaries. The assignment of countries or areas to particular groupings is for statistical convenience and does not imply any assumption regarding political or other affiliation of countries or territories by the United Nations.

¹ Consistent with the United Nations Procurement Practitioner’s Handbook, available from <https://www.ungm.org/Areas/Public/pph>

² See <http://www.unspsc.org>.

³ See <https://unstats.un.org/unsd/methodology/m49>.

⁴ For more information on United Nations Conference on Trade and Development country designations, see <http://unctadstat.unctad.org/EN/Classifications.html>.

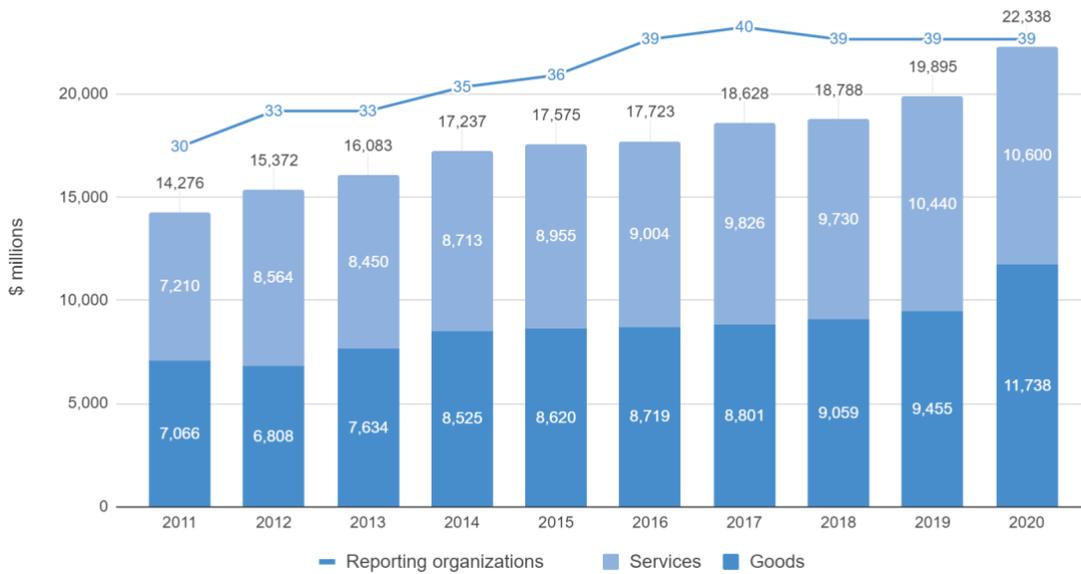
I. Total United Nations procurement in 2020

7. The United Nations organizations reported a total procurement volume of \$22.3 billion in 2020. This was the highest procurement volume recorded to date, with an increase of \$2.4 billion (12.3 per cent) compared to the previous year. The increase was driven mainly by two categories linked to the United Nations system response to the COVID-19 pandemic: *Medical equipment* and *Laboratory and testing equipment*. Increased procurement in those segments totalled \$1.9 billion, accounting for 79.1 per cent of the total increase, \$1.4 billion of which was attributed to three organizations – United Nations Children’s Fund (UNICEF), WHO and UNDP, in order of volume increase.

8. Most of the increase in 2020 was related to the procurement of goods, which increased by \$2.3 billion (24.1 per cent), while services had a less pronounced increase of \$160 million (1.5 per cent). Figure 1 illustrates these trends in procurement over the last 10 years.

9. The same 39 organizations reported in 2020 as in 2019, and have increased their combined procurement volume by 26.0 per cent (\$4.6 billion) since 2016. Despite the overall growth, most organizations experienced a decrease in volume. Only 16 organizations had increases in volume in 2020 compared to 2019. The three with the largest increases were WHO, UNICEF and UNDP in order of increase, which recorded a combined increase of \$1.9 billion. WHO, which almost doubled its procurement volume, was responsible for one-third of the overall increase.

Figure 1. Total procurement of goods and services, and number of reporting organization 2011-2020



II. Procurement by organizations of the United Nations system

10. A variety of organizations – from specialized agencies, funds and programmes to research and training entities – make up the United Nations system. Only organizations and units with a clear procurement component are represented in this report. While some have predictable and stable procurement volumes, categories and global footprints linked to their mandate, others are project-based or are more sensitive to global events and therefore have variable volumes, categories and supplier countries.

11. The procurement volume for each organization (as well as respective shares of procurement from developing countries, countries with economies in transition and least developed countries) is shown in table 1.

12. The largest increase in procurement volume was seen by WHO, growing from \$893 million in 2019 to \$1.7 billion in 2020. This was driven largely by procurement related to the COVID-19 response, which made up 43.7 per cent of its total procurement for the year. Although WHO had an increase in 18 segments, the total increase of \$825 million (92.3 per cent) was experienced mainly in three categories: *Medical equipment*, with an increase of \$275 million (245 per cent); *Management and administrative services*, with an increase of \$235 million (306 per cent); and *Laboratory and testing equipment*, with an increase of \$207 million (543 per cent). WHO increased its procurement primarily from suppliers in China (from \$8.9 million to \$250 million), Denmark (from \$75 million to \$170 million) and the United States of America (from \$45 million to \$94 million).

13. UNICEF, which remained the largest organization by procurement volume, reported the second-largest increase in 2020: \$642 million, or 16.8 per cent, for a total of \$4.5 billion. The increase can largely be explained by a \$670 million (142 per cent) increase in *Medical equipment*, predominantly from suppliers in China, the Netherlands and the United States of America, who were responsible for \$453 million of that increase. The *Transportation, storage and mail services* and *Apparel, luggage and personal care* segments also saw substantial increases, by \$58 million and \$47 million, respectively. This reflected the role of UNICEF in the COVID-19 response. However, its largest procurement category, *Pharmaceuticals, contraceptives and vaccines* (90.8 per cent of which is procurement of vaccines) had a decrease of \$227 million (12.7 per cent) compared to 2019.

14. The third-largest increase was recorded by UNDP, with \$481 million (23.1 per cent), reaching a total procurement volume of \$2.6 billion in 2020. The category with the highest increase was *Medical equipment*, with \$192 million (430 per cent), mainly in the sub-categories of Medical facility products and Medical apparel and textiles from China and Austria. In that segment, 44.4 per cent of UNDP procurement was COVID-19-related. Another large increase was in *IT and communications equipment*, at \$154 million (227 per cent), driven mainly by procurement of computer equipment from a Danish supplier for a COVID-19 response project in the Dominican Republic.

Table 1. Procurement by United Nations organization

Organization	Total 2020 (\$ millions)	Total change 2019-2020 (%)	Share of procurement from developing countries, countries with economies in transition and LDCs 2020 (%)
UNICEF	4,468.0	16.8%	59.6%
WFP	3,981.1	9.5%	75.2%
UNDP	2,565.3	23.1%	65.1%
UNPD	2,330.8	-7.2%	64.0%
WHO	1,717.8	92.3%	53.4%
UNHCR	1,383.4	21.5%	61.0%
UNOPS	1,271.5	16.1%	60.7%
PAHO	1,150.5	14.3%	40.4%
IOM	777.3	-19.0%	76.5%

UNFPA	473.3	17.1%	44.1%
FAO	458.2	17.9%	74.0%
UNRWA	225.6	-14.6%	85.1%
ILO	219.8	-16.3%	63.1%
IAEA	191.5	2.5%	8.5%
UNIDO	155.1	2.2%	55.7%
UNOG	141.1	-5.3%	1.0%
UN-Women	133.9	-7.8%	62.8%
WIPO	131.1	4.5%	9.3%
UNESCO	119.0	-3.1%	52.2%
UNOV	89.3	-24.6%	72.4%
UNON	61.6	-2.6%	75.5%
IFAD	53.4	0.9%	16.5%
UNAIDS	35.9	13.3%	53.6%
OPCW	24.6	9.8%	2.1%
ITC	20.7	-23.5%	44.5%
IMO	19.4	-9.5%	13.2%
ITU	18.8	-61.1%	4.3%
UNECA	17.3	-27.1%	53.3%
UN-ICTY/MICT	15.7	-20.5%	15.4%
ESCAP	13.2	-38.9%	71.9%
UNFCCC	13.0	-41.8%	2.9%
WMO	12.9	-18.6%	2.5%
UPU	11.6	-14.6%	16.8%
UNU	9.5	-6.6%	13.9%
ECLAC	9.3	-24.1%	70.6%
UNV	9.1	26.6%	3.0%
ESCWA	6.0	-28.0%	73.8%
UNWTO	1.6	-35.6%	0.2%
UNAKRT	0.5	-42.6%	66.6%
United Nations total	22,337.8	12.3%	61.5%

Note: Calculation of share of procurement from developing countries, countries with economies in transition and least developed countries excludes data where the supplier country is unknown.

15. While 16 organizations increased procurement in 2020, 23 saw a decrease in volume. Nineteen stated that the pandemic was the main factor in the decrease. For some, the largest impact was on travel and conferences. For others, projects were discontinued or put on hold due to restrictions imposed in different locations, particularly in the construction sector. Organizations with a large proportion of procurement related to COVID-19 generally saw an increase in procurement. Organizations recording a decrease were accountable for just 4.0 per cent of the reported COVID-19 procurement.

16. The largest decrease, in absolute terms, was reported by the International Organization for Migration (IOM), with a reduction of \$182 million (19.0 per cent) in procurement volume, closely followed by the United Nations Procurement Division, with a \$181 million (7.2 per cent) decrease. Both organizations had their largest decreases in the travel sector – a result of the COVID-19 pandemic. IOM reported an \$89 million decrease in Passenger transport, while the United Nations Procurement Division reported a joint decrease of \$162 million in the sub-categories of Passenger transport and Travel facilitation.

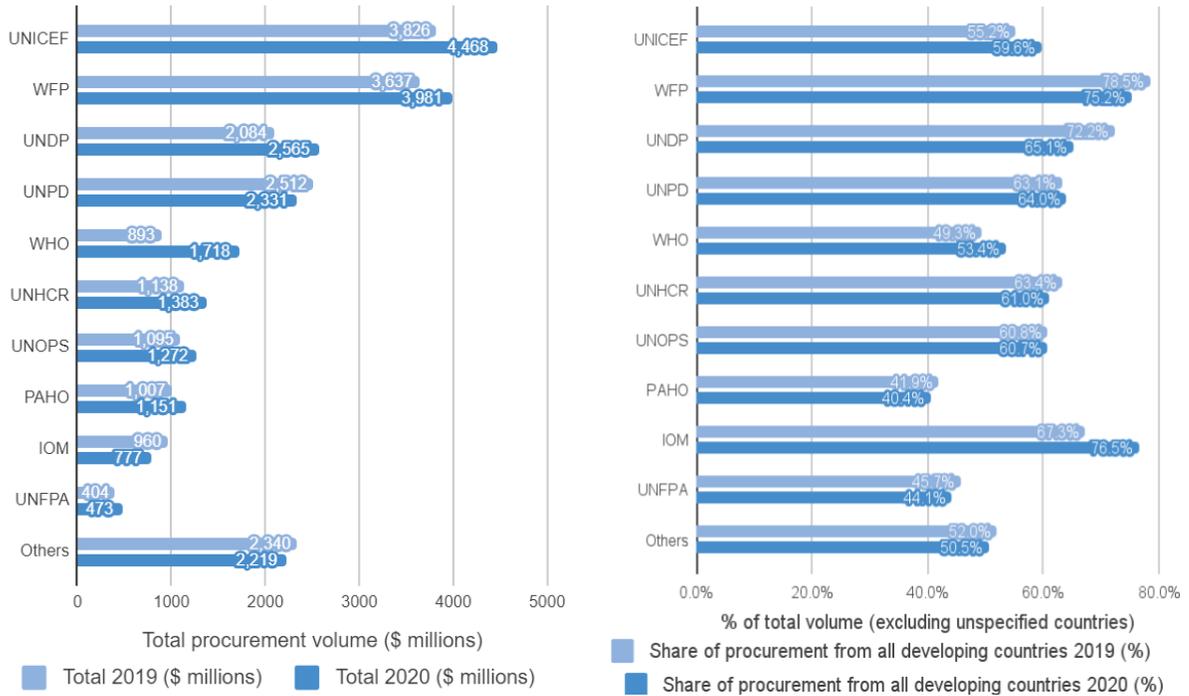
17. The International Telecommunication Union experienced the largest decrease in percentage terms, at 61.1 per cent (\$30 million), due mainly to a change of health insurance provider. This led to a change in procurement modality whereby insurance premiums were no longer included in procurement statistics.

18. Together, the largest 10 organizations by procurement volume in 2020 accounted for \$20.1 billion (90.1 per cent) of total procurement volume, compared to \$17.6 billion (88.2 per cent) in 2019. Figure 2 shows the 10 largest organizations by volume, and their proportion of procurement from least developed countries, developing countries and countries with economies in transition. Compared to 2019, four of the organizations increased their proportion of procurement from those countries in 2020.

19. As had been the case since 2016, the organization that procured the most from developing countries, countries with economies in transition and least developed countries in 2020 was the World Food Programme (WFP), with a total of \$3.0 billion – followed by UNICEF and UNDP, in that order. The proportion of procurement from those countries decreased for WFP from 78.5 per cent in 2019 to 75.2 per cent in 2020, while the volume in absolute terms increased by \$140 million.

20. The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) again had the highest proportion of procurement (85.1 per cent, or \$192 million) coming from developing countries, countries with economies in transition and least developed countries, although it saw a decrease compared to 2019 both in overall volume and in the share of those countries (87.5 per cent, or \$231 million in 2019).

Figure 2. Procurement by United Nations organization from developing countries, countries with economies in transition and least developed countries, 2019-2020 (top 10 organizations, by total procurement volume)



III. Procurement by category of goods and services

21. Procurement of goods and services by the United Nations system falls into a range of categories, and although the volume of spend within categories changes from year to year following evolving demands, the key sectors of procurement remain largely the same.

22. When collecting information from reporting organizations related to the nature of goods and services procured, the annual statistical report uses the United Nations Standard Products and Services Code standard. The hierarchy of product segments, families, classes and commodities is used for categorizing and reporting on procured goods and services both in the report and in the online dashboards.

23. This is further summarized into sectors, updated to better reflect the key areas of United Nations procurement. Each sector includes goods and services categories from different United Nations Standard Products and Services Code standard segments, the highest level in the code-set. Some of these segments are split into different sectors based on the nature of goods and services. For example, a portion of *Medical equipment* related to veterinary products is grouped under **Food and farming**, while other *Medical equipment* is reported under **Health**.

24. Table 2 shows the 2020 procurement volume and distribution as well as total change from 2019 to 2020 across all sectors.

Table 2. Procurement by sectors, 2020

Category (ASR sector level)	Total 2020 (\$ millions)	Total 2019 (\$ millions)	Total change 2019-2020 (\$ millions)	Total change 2019-2020 (%)
Health	5,469.5	4,357.6	1,111.9	25.5%
Construction, engineering and science	3,009.8	2,368.6	641.2	27.1%
Food and farming	2,523.0	2,333.4	189.6	8.1%
Transportation and storage	2,316.2	1,870.6	445.6	23.8%
Administration and operations	2,076.5	1,766.2	310.3	17.6%
Media, IT and communications	1,818.1	1,515.4	302.7	20.0%
Finance, insurance and real estate	1,165.0	1,026.4	138.6	13.5%
Utilities	931.3	961.1	-29.8	-3.1%
Humanitarian aid, peace, security and safety	813.2	749.0	64.3	8.6%
Travel, accommodation and catering services	776.9	1,445.6	-668.8	-46.3%
Other goods and services	717.7	669.3	48.4	7.2%
Motor vehicles, industrial machinery and heavy equipment	402.8	435.3	-32.5	-7.5%
Education, training and recreation	317.8	396.5	-78.7	-19.8%
United Nations total	22,337.8	19,895.0	2,442.8	12.3%

UNSPSC=United Nations Standard Products and Services Code; IT=information technology

25. **Health** has been the largest procurement sector of the United Nations system for some time, and in 2020 the COVID-19 pandemic increased its relevance. It represented almost a quarter of the total procurement, with \$5.5 billion across six different United Nations Standard Products and Services Code standard segments. The sector experienced growth of \$1.1 billion, or 25.5 per cent, in procurement volume compared to 2019, particularly in the *Medical equipment* segment (excluding veterinary related products), which was \$1.5 billion higher (triple compared to 2019) and 40.6 per cent of the sector overall. While most of the volume (\$1.3 billion) was reported at the highest level without further details, some of the key sub-categories in the segment were Clinical nutrition (\$173 million), Medical facility products (\$166 million), and Medical apparel and textiles (\$125 million).

26. The largest segment in **Health** was *Pharmaceuticals, contraceptives and vaccines* (excluding veterinary-related products) with \$3.0 billion in volume and 55.2 per cent of sector total in 2020, where \$2.2 billion (73.0 per cent) was in Immunomodulating drugs (vaccines). Procurement in the segment was down slightly compared to 2019. The **Health** sector included \$152 million worth of *Healthcare services*, \$70 million of hygiene products, \$6.9 million of mosquito nets and \$1.5 million of health programme services.

27. Five organizations saw increases over \$100 million in **Health** procurement overall: UNICEF, \$443 million (19.7 per cent); UNOPS, \$216 million (157 per cent); WHO, \$106 million (22.8 per cent); UNDP \$104 million (33.1 per cent); and the Office of the United Nations High Commissioner for Refugees (UNHCR), \$102 million (343 per cent). UNICEF, the largest buyer, was responsible for 49.4 per cent of total procurement in the sector.

28. **Construction, engineering and science** has been the second-largest sector since 2015, and in 2020 it totalled \$3.0 billion or 13.5 per cent of total United Nations procurement. It was also the sector with the highest percentage increase compared to 2019, increasing by 27.1 per cent, or \$641 million. The increase can largely be explained by increases from WHO (\$386 million, or 339 per cent) and the Pan American Health Organization (PAHO) (\$117 million, or 700 per cent). The International Atomic Energy Agency (IAEA), UNICEF and UNOPS also had substantial increases in this sector.

29. The sector includes items from 12 different segments, including *Laboratory and testing equipment*. Such equipment can be used for a variety of purposes, including health; it experienced the highest increase in the sector, up \$446 million, or 235 per cent, to a total of \$636 million in 2020, driven by COVID-19-related procurement. It was the second-largest segment within the sector in 2020. The largest sub-category in the segment was Laboratory and scientific equipment, with 52.1 per cent of segment total; this sub-category had the largest increase (\$229 million, or 224 per cent) over 2019 volume. Measuring and observing and testing instruments increased by \$159 million (281 per cent). Of the total procurement in this segment, \$384 million was reported as related to COVID-19. WHO – the largest buyer, with 38.5 per cent of total procurement – experienced the largest increase, with \$207 million (543 per cent). PAHO and IAEA also had large increases in the segment, up \$93 million and \$43 million, respectively.

30. *Engineering and research services* was the segment with the second-highest increase, up \$157 million (34.7 per cent) to \$609 million, due partially to improvements in reporting by WHO.

31. The largest segment was *Building and maintenance services*, with \$1.3 billion and 42.9 per cent of the sector total in 2020. Key sub-categories within the segment were Non-residential building construction services (\$379 million) and Building and facility maintenance and repair services (\$363 million).

32. Also included in the sector were goods related to construction, mining and well-drilling, including related materials, machinery and equipment, electrical system components, and environmental services.

33. The third-largest sector in 2020 was **Food and farming**, with \$2.5 billion, or 11.3 per cent of total procurement volume. *Food and beverage products* was by far the largest segment in the sector, with \$2.2 billion, or 86.2 per cent, of the sector total. Other segments included *Live plant and animal material*, with \$131 million, and *Farming, fishing and forestry services*, with \$77 million. The sector includes services, tools, machinery and equipment related to food processing and farming, as well as veterinary health products and services. The organization procuring the most from the sector was WFP, with a volume of \$1.8 billion (70.2 per cent of sector total).

34. **Transportation and storage** – the fourth-largest sector by volume, with \$2.3 billion, or 10.4 per cent – had the third-largest increase, up \$446 million (23.8 per cent) from \$1.9 billion in 2019. The increase was driven mainly by goods-related logistics services within the *Transportation, storage and mail* segment (\$372 million increase), which represented 92.9 per cent of the total sector. The sector includes *Material handling machinery*, Supply chain management services, Motor vehicles and parts related to transportation and storage, and Storage and handling equipment. WFP – the largest procurer in this sector, with 58.4 per cent of the total – recorded the largest increase, with \$174 million, or 14.8 per cent. UNICEF, the United Nations Procurement Division and UNHCR were also key procurers.

35. **Travel, accommodation and catering services** saw an unprecedented decrease in 2020 resulting from the pandemic and its impact on travel and in-person events globally, with \$669 million, or 46.3 per cent less procurement than in 2019. The sector went from seventh-largest in 2019 to tenth-largest in 2020. The organizations with largest decreases were the United Nations Procurement Division (down \$176 million, or 30.5 per cent), IOM (down \$88 million, or 39.5 per cent), UNOPS (down \$56 million, or 86.5 per cent) and UNDP (down \$50 million, or 45.7 per cent). The United Nations Procurement Division was nevertheless responsible for 51.5 per cent of procurement in this sector, with a total of \$400 million. While most organizations experienced decreases in procurement, four had increases – UNHCR, WHO, IAEA and the Organisation for the Prohibition of Chemical Weapons (OPCW), by volume of increase.

36. For further analysis, including procurement under the United Nations Standard Products and Services Code segment (summarized in table 3), see the full report available on the annual statistical report [website](#).

Table 3. Top 10 categories of procurement volume, UNSPSC segment level, 2020

Category (UNSPSC segment level)	Total 2020 (\$ millions)	Total change 2019-2020 (%)	Share of procurement from developing countries, countries with economies in transition and LDCs 2020 (%)
Pharmaceuticals, contraceptives, vaccines	3,035.5	-6.3%	37.1%
Transportation, storage, mail services	2,717.0	2.4%	68.0%
Medical equipment	2,226.4	200.7%	62.1%
Food and beverage products	2,174.5	5.0%	81.3%
Management and administrative services	2,090.5	17.3%	63.5%
Engineering and research services	1,327.6	22.2%	44.7%
Building and maintenance services	1,290.4	-5.8%	73.5%
IT and communications equipment	666.4	44.5%	26.3%
Laboratory and testing equipment	636.8	235.4%	49.9%
Financial and insurance services	635.5	13.9%	54.0%
Top 10 total	16,800.6		
United Nations total	22,337.8		

UNSPSC=United Nations Standard Products and Services Code; LDCs= least developed countries; IT=Information technology

IV. COVID-19 procurement in the United Nations system

37. The United Nations role in the response to COVID-19 led to significant increases in procurement in certain categories. In other areas, however, procurement declined dramatically.

38. For the 2020 annual statistical report, 38 organizations reported procurement of \$2.1 billion worth of goods and services related to the COVID-19 response, representing 11.5 per cent of the total procurement volume of those organizations. Many organizations delivered emergency supplies, often in a coordinated manner, using mechanisms such as the United Nations COVID-19 Supply Chain Task Force.

39. Additionally, UNICEF reported that it delivered \$537 million worth of goods to 145 countries in 2020 in response to the COVID-19 pandemic. However, it was not possible to report these delivery statistics in the same way as the other organizations. UNICEF distinguishes between procurement from suppliers and deliveries to countries. It procures many items – including those that may be used for COVID-19 response – in bulk to its warehouse, and the exact delivery location or use of items may not be known at the time of purchasing. The following analysis focuses on the procurement transactions of the other organizations, with UNICEF procurement statistics (but not delivery statistics) provided for comparison.

40. Information on United Nations COVID-19 immunization procurement as part of the COVID-19 Vaccine Global Access (COVAX) Facility will be included in the annual statistical report, 2021. The COVAX effort involves the Coalition for Epidemic Preparedness Innovations, the Gavi Alliance, PAHO, UNICEF and WHO.

41. Ten organizations were responsible for 96.9 per cent of the total \$2.1 billion of procurement related to COVID-19 (see table 4). WHO was the largest COVID-19-related procurer in both volume and percentage terms, with \$750 million, or 43.7 per cent of total procurement for the year. This included \$308 million of *Medical equipment*, representing 79.6 per cent of WHO procurement in this segment, and \$221 million of *Laboratory and testing equipment*.

Table 4. COVID-19 procurement by organization, 2020

Organization	COVID-19 procurement (\$ millions)	Total 2020 (\$ millions)	COVID-19 share of total (%)	Total 2020 excl. COVID-19 procurement (\$ million)	Total 2020 excl. COVID-19 procurement compared to 2019 (%)	Total 2020 incl. COVID-19 procurement compared to 2019 (%)
WHO	750.2	1,717.8	43.7%	967.7	8.3%	92.3%
UNDP	496.6	2,565.3	19.4%	2,068.7	-0.7%	23.1%
UNOPS	221.9	1,271.5	17.5%	1,049.6	-4.2%	16.1%
UNHCR	187.4	1,383.4	13.5%	1,196.0	5.1%	21.5%
PAHO	162.4	1,150.5	14.1%	988.1	-1.8%	14.3%
UNFPA	47.6	473.3	10.1%	425.7	5.3%	17.1%
WFP	39.8	3,981.1	1.0%	3,941.3	8.4%	9.5%
IAEA	37.5	191.5	19.6%	154.0	-17.6%	2.5%
IOM	23.2	777.3	3.0%	754.0	-21.4%	-19.0%
UNPD	20.7	2,330.8	0.9%	2,310.1	-8.0%	-7.2%
Top 10 organizations reporting COVID-19	1,987.3	15,842.6	12.5%	13,855.3	-0.4%	13.8%
All other organizations reporting COVID-19	64.0	2,027.2	3.2%	1,963.2	-8.8%	-5.9%
Total organizations reporting COVID-19	2,051.4	17,869.8	11.5%	15,818.5	-1.6%	11.2%
UNICEF		4,468.0				16.8%
United Nations total		22,337.8				12.3%

42. As shown in table 5, *Medical equipment* was the largest category for procurement related to COVID-19, with a total of \$655 million by 31 different organizations. This represented 60.4 per cent of the total \$1.1 billion spend in this segment by the 38 organizations reporting COVID-19 procurement. Those organizations spent only \$268 million in the segment in 2019. Detailed category information was available only for 54.3 per cent of spend, but of the data available, 29.3 per cent of the total was spent on Patient exam and monitoring products,

25.8 per cent on Medical apparel and textiles (including items such as surgical masks, gloves and gowns), and 17.1 per cent on Medical facility products (including patient beds and clinical furniture).

Table 5. Top 10 categories of COVID-19 procurement by volume, UNSPSC segment level, 2020

Category (UNSPSC segment level)	Organizations reporting COVID-19 procurement			UNICEF
	COVID-19 procurement (\$ millions)	Total 2020 (\$ millions)	COVID-19 share of total (%)	Total 2020 (\$ millions)
Medical equipment	654.8	1,083.6	60.4%	1,142.8
Laboratory and testing equipment	383.6	611.6	62.7%	25.2
IT and communications equipment	166.8	654.6	25.5%	11.9
Management and administrative services	127.0	1,775.1	7.2%	315.3
Transportation, storage, mail services	119.3	2,485.6	4.8%	231.4
Engineering and research services	78.2	1,172.7	6.7%	154.9
Land, building and structures	54.0	214.1	25.2%	0.0
Building and maintenance services	50.8	1,065.4	4.8%	225.1
Motor vehicles and parts	42.8	357.6	12.0%	32.2
Security and safety equipment	40.1	123.1	32.6%	0.0
Top 10 total	1,717.4	9,543.4	18.0%	2,138.8
United Nations total	2,051.4	17,869.8	11.5%	4,468.0

43. Other Personal safety and protection equipment, including respiratory protection and face and head protection, can be classified under the *Security and safety equipment* segment, where there was \$40 million of procurement related to COVID-19.

44. At \$384 million, *Laboratory and testing equipment* was the second-largest category of COVID-19 procurement, accounting for 62.7 per cent of the total \$612 million spent by the 38 organizations in this segment. WHO procured \$221 million worth, including \$42 million worth of Rapid test kits. PAHO procured \$95 million in the segment, including \$64 million worth of Clinical and diagnostic analyser reagents and \$28 million worth of Rapid test kits.

45. Beyond these two segments, organizations procured across a further 55 categories, and procurement exceeded \$10 million in 21 different segments. This points to the breadth of the United Nations COVID-19 response and that it is not just limited to the health sector.

46. The 38 organizations reported procurement related to COVID-19 from 186 different supplier countries, the 10 largest of which, by volume, are shown in table 6.

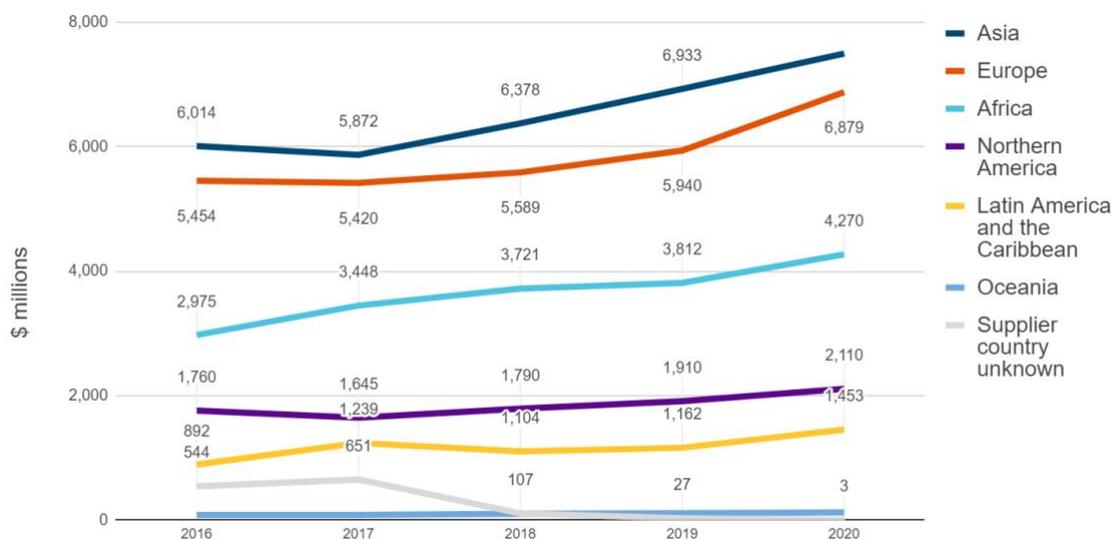
Table 6. COVID-19 procurement, top 10 supplier countries by volume, 2020

Supplier country	Organizations reporting COVID-19 procurement			UNICEF
	COVID-19 procurement (\$ millions)	Total 2020 (\$ millions)	COVID-19 share of total (%)	Total 2020 (\$ millions)
China	308.5	542.1	56.9%	474.1
Denmark	199.2	879.6	22.6%	209.1
Austria	110.1	276.1	39.9%	8.8
United States of America	82.7	1,442.9	5.7%	486.5
Brazil	82.3	154.0	53.4%	11.5
Germany	81.5	314.8	25.9%	77.6
Lebanon	63.5	324.8	19.5%	73.0
Switzerland	55.3	694.0	8.0%	47.1
Netherlands	48.8	458.8	10.6%	121.7
Argentina	46.4	89.4	51.9%	8.1
Top 10 total	1,078.3	5,176.6	20.8%	1,517.4
United Nations total	2,051.4	17,869.8	11.5%	4,468.0

47. More detailed analysis of COVID-19-related procurement can be found in the full report, available on the annual statistical report [web page](#).

V. Procurement volume by region of supplier

48. Suppliers from 215 countries and territories across all regions of the world provided goods and services to United Nations organizations in 2020. All regions had a rise in procurement volume from 2019 to 2020, although at slightly different rates of increase. Latin America and the Caribbean and Europe saw the largest increases, enlarging their share of total procurement, while the remaining regions grew at a slower rate. Figure 3 shows procurement by region over the period 2016-2020.

Figure 3. Total procurement by region, 2016-2020

49. Further analysis of procurement by region can be found in the full report, available on the annual statistical report [web page](#).

VI. Major countries of supply

50. The suppliers of United Nations procurement represent all 193 United Nations Member States, and for 135 Member States, the procurement volume of suppliers exceeded \$10 million in 2020.

51. In table 7, procurement volumes for the 10 countries with the highest procurement levels in 2020 are shown. Together, those countries provided \$9.2 billion in procurement, or 41.4 per cent of the United Nations total. In 2019 the concentration of spend within the top 10 supplier countries was 42.4 per cent. The countries represented in the top 10 table are the same as in 2019, with the exception of China, which moved from 20th place in 2019 to third in 2020. The order of countries has changed significantly.

Table 7. Top 10 supplier countries by procurement volume, 2020

Supplier country	Goods 2020 (\$ millions)	Services 2020 (\$ millions)	Total 2020 (\$ millions)	Share of United Nations total 2020 (%)	Total change 2019-2020 (%)
United States of America	916.1	1,013.3	1,929.4	8.6%	10.9%
Denmark	555.8	532.9	1,088.7	4.9%	72.6%
China	880.3	135.9	1,016.2	4.5%	312.5%
India	755.9	191.1	947.0	4.2%	-14.8%
United Arab Emirates	597.1	193.4	790.5	3.5%	-5.9%
France	563.7	184.7	748.4	3.4%	9.2%
Switzerland	165.8	575.2	741.0	3.3%	2.3%
Belgium	625.1	80.3	705.4	3.2%	-0.5%
Yemen	151.9	526.4	678.3	3.0%	-22.2%
Kenya	252.3	344.8	597.1	2.7%	2.6%
Top 10 total	5,463.9	3,778.2	9,242.1	41.4%	13.5%
United Nations total	11,738.1	10,599.7	22,337.8		12.3%

52. The United States of America remained the largest supplier country to the United Nations, with an overall volume of \$1.9 billion and an 8.6 per cent share of total United Nations procurement in 2020. This represents an increase of 10.9 per cent over the previous year, driven mainly by an increase in procurement by WHO (\$49 million), which almost doubled its volume from the country. A large part of that increase was *Laboratory and scientific equipment*, increasing by \$25 million. PAHO contributed to the increase with \$132 million, of which \$73 million was spent on vaccines. Meanwhile, the largest segment procured from American suppliers, *Pharmaceuticals, contraceptives and vaccines*, had a decrease in volume of \$38 million, or 6.3 per cent, in large part because UNICEF spent \$112 million less on vaccines compared to the previous year.

53. The second-largest supplier country in 2020 was Denmark, totalling \$1.1 billion in procurement (and moving up from eighth position in 2019), with an increase of \$458 million, or 72.6 per cent. Of that, \$331 million was United Nations-facilitated procurement, where goods and services were provided by another United Nations organization. This type of procurement contributed \$102 million to the increase, of which \$59 million represented vaccines procured by WHO from UNICEF. The main driver of increase for Denmark was *IT and communications equipment*, up by \$146 million, of which \$124 million was procured by UNDP. *Transportation, storage and mail services* and *Pharmaceuticals, contraceptives and vaccines* contributed \$112 million and \$74 million, respectively, to the increase.

54. The supplier country with the largest increase in procurement was China, more than quadrupling from \$246 million in 2019 to \$1.0 billion in 2020. China was the largest supplier of *Medical equipment*, supplying a total of \$672 million within the segment in 2020 (an increase of \$622 million compared to previous year). The organization with the largest increase from the country was UNICEF (up \$371 million), followed by WHO (up \$241 million) and UNDP (up \$75 million). The United Nations Procurement Division had a decrease of \$5 million from Chinese suppliers, mainly in the category of *Cleaning equipment*. Other key categories procured from China were *Transportation, storage and mail services*, with a total of \$67 million, and *Laboratory and testing equipment*, totalling \$62 million.

55. India went from the second-largest supplier of the United Nations system in 2019 to fourth-largest in 2020 – a decrease of \$165 million, or 14.8 per cent. This was due primarily to a major decrease in *Pharmaceuticals, contraceptives and vaccines* (\$209 million, or 25.2 per cent), bringing its volume down to \$620 million in 2020. It remained the largest segment for India, which remained the largest supplier country for the segment. The organizations responsible for the decrease were UNICEF (\$102 million decrease), PAHO (\$56 million decrease) and UNDP (\$46 million decrease). WFP had an increase in procurement of *Food and beverage products* from India (\$20 million), resulting in an \$18 million increase for the country in that segment. Indian suppliers also saw a \$23 million increase of supplies in *Management and administrative services*.

56. In fifth position among the top 10 supplier countries, the United Arab Emirates had a total of \$791 million in procurement for 2020, a decrease of \$50 million (or 5.9 per cent) compared to 2019. The United Arab Emirates remained the largest supplier country for *Fuel and lubricants* (\$253 million) and the second-largest country for *Food and beverage products* (\$218 million), the two largest segments procured from the country. However, both segments experienced decreases in volume compared to the previous year (by \$12 million and \$17 million, respectively). The organization with the largest decrease was the United Nations Procurement Division (\$31 million, of which \$23 million was in *Building and maintenance services*). Meanwhile, the *Transportation, storage and mail services* segment experienced an increase of \$23 million – the highest level of supplies in eight years.

57. Yemen was the only least developed country in the top 10, where it has appeared since 2018. However, in 2020 procurement from Yemeni suppliers dropped by \$194 million (or 22.2 per cent) compared to 2019, when the country reached a peak in supplies. The decrease in procurement was principally in *Food and beverage products* by WFP (\$95 million less than in 2019) and *Transportation, storage and mail services* (\$41 million less). UNOPS decreased its procurement from Yemen, with \$58 million less than in 2019. Of that, \$33 million was in *Building and maintenance services*. The decreases were offset somewhat by increases from WHO (\$25 million), mainly in *Medical equipment*.

58. Despite a \$15 million increase (2.6 per cent) in procurement from Kenya, the country fell from ninth to tenth among the top 10 supplier countries. The Food and Agriculture Organization of the United Nations (FAO) had the largest increase from the country, with \$22 million, mostly in *Farming and fishing* and *Live plant and animal material*. The United Nations Procurement Division had a \$17 million increase in *Food and beverage products*, but this was offset by a \$27 million decrease from WFP.

59. China, India, the United Arab Emirates, Yemen and Kenya together had a procurement volume of \$4.0 billion in 2020. This was the largest combined volume for developing countries among the top 10 suppliers to date, representing 18.0 per cent of total United Nations procurement in 2020.

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

60. In line with the 2030 Agenda for Sustainable Development, the United Nations organizations seek to increase procurement from least developed countries, developing countries and countries with economies in transition. Efforts started in 2003, following a request from the General Assembly to increase opportunities for suppliers from these countries.⁵ Since then the organizations have placed increasingly more orders with suppliers from all developing countries, reaching a record volume of \$13.7 billion in 2020 – an increase of \$1.4 billion from \$12.3 billion in 2019.

61. Although all groups increased their procurement volume in 2020, the share of United Nations procurement from these countries decreased by 0.6 per cent. Least developed countries had a procurement of \$4.1 billion in 2020, and their share of the United Nations total decreased by 1.2 per cent to 18.3 per cent of total procurement.

⁵ A/RES/57/279

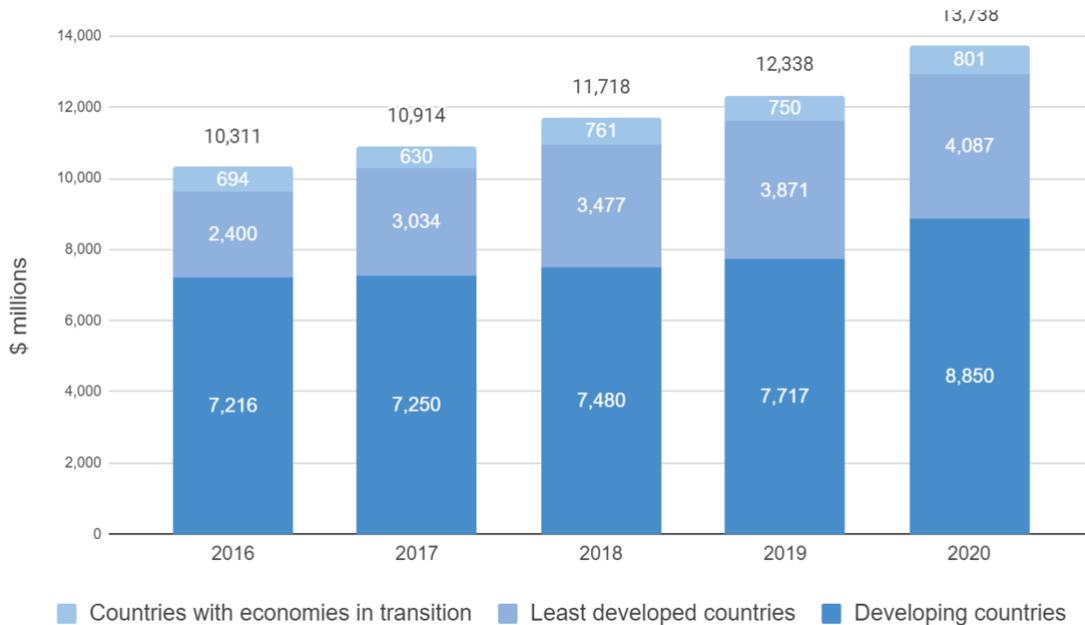
Developing countries increased their share by 0.8 per cent, to a total share of 39.6 per cent of United Nations procurement and an \$8.8 billion volume in 2020. Economies in transition had \$801 million in procurement, decreasing their share from 3.8 per cent in 2019 to 3.6 per cent in 2020. Figure 4 shows the change in procurement from these countries over time.

62. For least developed countries, the \$216 million (5.6 per cent) increase in 2020 was due mainly to increases in Sudan (up \$53 million), Niger (up \$41 million), Chad (up \$32 million) and Ethiopia (up \$31 million). As previously mentioned, Yemen experienced a \$194 million decrease; Rwanda had a decrease of \$23 million. As in 2019, WFP was the organization with the largest volume procured from least developed countries, totalling \$1.3 billion in 2020 (a \$27 million increase). The largest increase was seen by UNICEF (\$112 million), followed by WHO (\$59 million) and UNHCR (\$58 million). The largest decrease was \$72 million by UNOPS, \$58 million of which was related to the decrease from suppliers in Yemen.

63. The procurement volume from suppliers in developing countries had the largest increase of all economic country groupings, with \$1.1 billion in absolute terms (14.7 per cent). China was the main driver of that increase, with \$770 million, while Guatemala (\$141 million) and Pakistan (\$65 million) also were strong contributors. Among the organizations, UNICEF – the largest procurer from developing countries – also had the largest increase (\$424 million), leading to a \$1.8 billion total from those countries in 2020. WHO had a substantial increase (\$397 million) from this country group, followed by UNOPS (\$161 million) and WFP (\$107 million). IOM was the organization with the largest decrease from developing countries, with \$76 million, \$62 million of which was a decrease from suppliers in Peru.

64. Suppliers from economies in transition experienced an increase of \$52 million, 6.9 per cent over 2019 procurement volume. The countries with the largest increases were Bosnia and Herzegovina (\$29 million), Albania (\$25 million) and Serbia (\$15 million). Russia had the largest decrease in volume (\$19 million less than in 2019).

Figure 4. Procurement from developing countries, countries with economies in transition and least developed countries, 2016-2020



65. The top 20 countries of supply from least developed countries, developing countries and countries with economies in transition are shown in table 8. Together they accounted for 59.9 per cent of the total from these countries and 36.9 per cent of the United Nations total – a decrease in concentration of spend compared to 2019, when the shares were 62.2 per cent and 38.6 per cent, respectively.

66. Further analysis of country procurement can be found in the full report, available on the annual statistical report [web page](#).

Table 8. Top 20 countries by procurement volume – developing countries, countries with economies in transition and least developed countries, 2019

Supplier country	Goods 2020 (\$ millions)	Services 2020 (\$ millions)	Total 2020 (\$ millions)	Share of United Nations total 2020 (%)	Total change 2019-2020 (%)
China	880.3	135.9	1,016.2	4.5%	312.5%
India	755.9	191.1	947.0	4.2%	-14.8%
United Arab Emirates	597.1	193.4	790.5	3.5%	-5.9%
Yemen	151.9	526.4	678.3	3.0%	-22.2%
Kenya	252.3	344.8	597.1	2.7%	2.6%
Turkey	356.5	151.1	507.5	2.3%	-0.8%
Lebanon	155.3	242.4	397.8	1.8%	13.9%
Ethiopia	78.3	235.6	313.8	1.4%	11.0%
Pakistan	135.6	162.6	298.2	1.3%	27.8%
Sudan	118.1	167.4	285.5	1.3%	22.8%
Russian Federation	75.7	196.1	271.9	1.2%	-6.6%
Afghanistan	96.3	166.9	263.1	1.2%	10.1%
Syrian Arab Republic	114.8	129.7	244.5	1.1%	6.0%
Jordan	87.9	154.9	242.8	1.1%	-4.0%
Republic of Korea	207.8	31.2	239.0	1.1%	6.2%
South Africa	115.1	121.5	236.6	1.1%	-1.0%

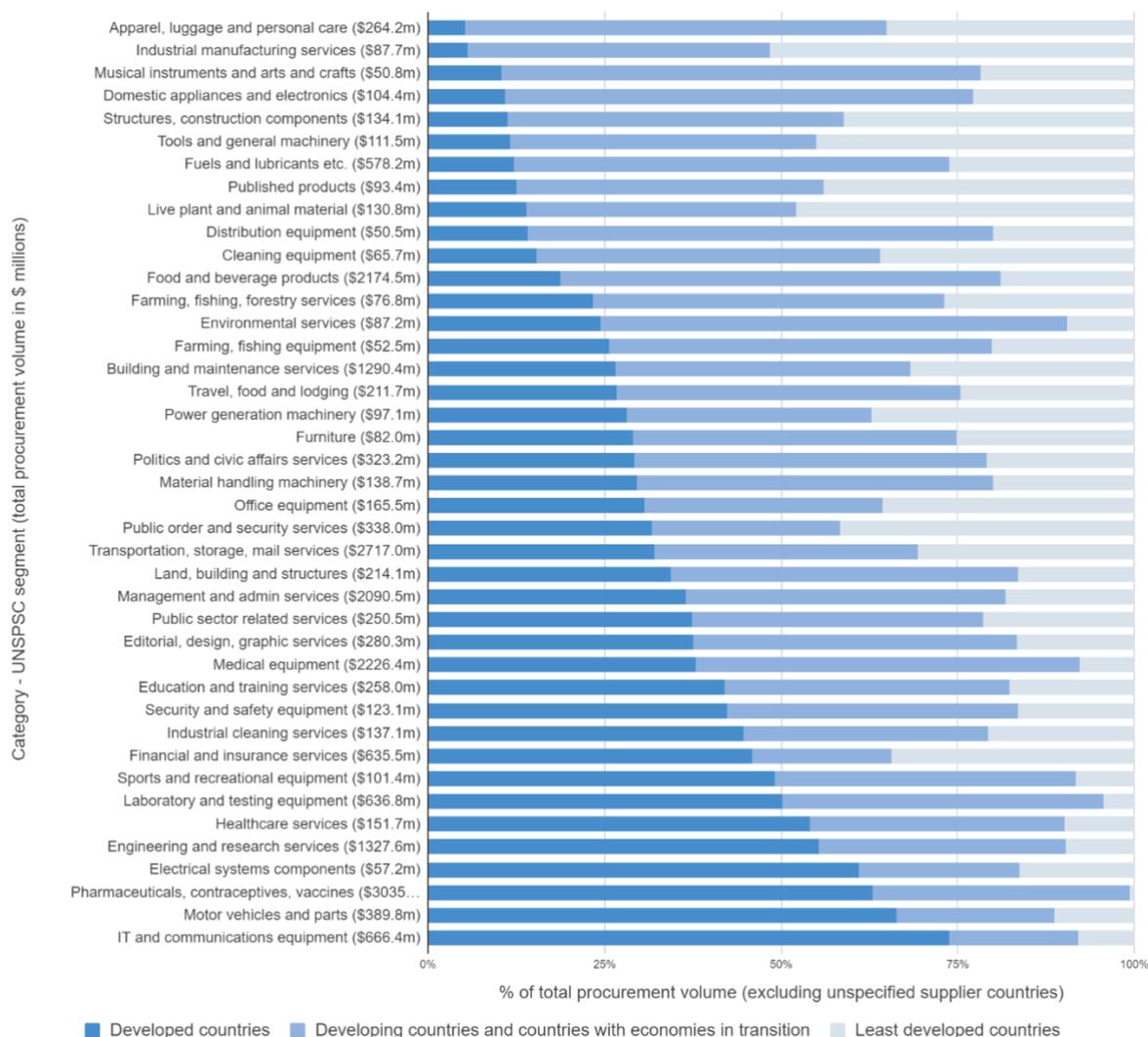
Democratic Republic of the Congo	66.7	163.1	229.8	1.0%	-2.2%
South Sudan	71.0	158.3	229.3	1.0%	4.0%
Bangladesh	110.6	116.0	226.6	1.0%	10.5%
Iraq	50.6	169.1	219.7	1.0%	-19.5%
Top 20 total	4,477.7	3,757.6	8,235.3	36.9%	7.3%
Developing countries, countries with economies in transition, least developed countries total	6,983.0	6,755.2	13,738.2	61.5%	11.4%
United Nations total	11,738.1	10,599.7	22,337.8		12.3%

67. Figure 5 shows the different segments of goods and services with procurement volumes above \$50 million in 2020, as well as the distribution of volume by type of supplier country. The number of segments at or above that amount rose from 36 in 2019 to 41 in 2020. In 12 segments, more than 80 per cent of procurement volume was from developing countries, countries with economies in transition and least developed countries, \$3.8 billion, while 34 segments had a share of more than 50 per cent coming from these countries. Procurement from those 34 segments totalled \$15.7 billion.

68. *Food and beverage products* was the largest segment where procurement from developing countries, countries with economies in transition and least developed countries represented more than 80 per cent of total procurement volume. In 2020, \$2.2 billion was procured in this segment, \$1.8 billion of which was from developing countries and countries with economies in transition.

69. The calculation of percentages in this analysis excludes procurement where the supplier country was unknown. In 2020, only \$2.3 million in procurement volume was reported without a known supplier country, compared to \$27 million in 2019. That \$2.3 million was all in the *Transportation, storage and mail services* segment reported by FAO. This represents a substantial improvement in data quality compared to 2019.

Figure 5. Distribution of categories of goods and services by supplier country development status and total procurement volume by segment, 2020 (UNSPSC segments with procurement volume above \$50 million; unspecified goods and services excluded)



VIII. Collaborative procurement

70. 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 calls on organizations to further their synergies and inter-agency efforts, and requests that United Nations system entities explore further opportunities for collaborative procurement at the global, regional and country levels.

71. The resolution is further reinforced by the ‘Mutual Recognition’ statement, of which many United Nations organizations are signatories, and supported through the work of the Procurement Network of the High-level Committee on Management.

72. The objective of collaborative procurement is to achieve reduced prices or better service through economies of scale, and to reduce inefficiency and duplication across United Nations organizations.

73. The total procurement volume reported as collaborative for 2020 was \$1.1 billion, representing 5.1 per cent of total procurement volume. This includes procurement transactions reported by organizations as collaborative as well as transactions where an organization procured goods and services from another United Nations organization. Almost all organizations – 38 of the 39 – used collaborative procurement approaches in 2020.

74. UNICEF reported that 75.4 per cent of its goods procurement volume in 2020 was conducted through supply-chain management collaboration, totalling \$2.4 billion.

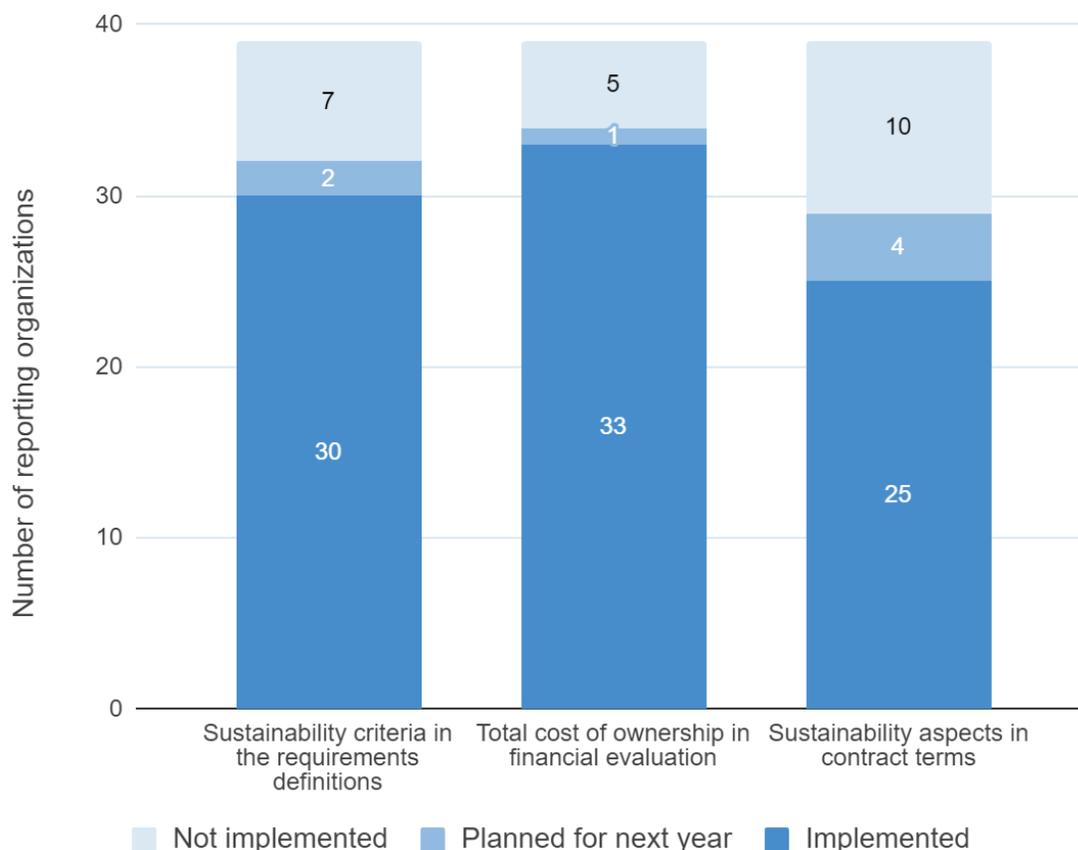
75. Further analysis of collaborative procurement can be found in the full report, available on the annual statistical report [web page](#).

IX. Sustainable procurement

76. Since the adoption of the [Sustainable Procurement Statement](#) by the Procurement Network of the High-level Committee on Management in 2009, sustainable procurement has become increasingly prominent within United Nations organizations. The annual statistical report reports on the extent to which sustainability considerations are incorporated into the procurement processes of United Nations organizations. Since 2018, all 39 United Nations organizations that submit procurement transaction data to the annual statistical report have voluntarily shared information on their sustainable procurement practices. The following is a snapshot of key trends in 2020. More detailed information can be found on the annual statistical report [website](#).

77. The adoption or planned adoption of sustainable procurement policies saw a notable increase in 2020, from 59.0 per cent to 84.6 per cent, as well as the development of sustainable procurement strategies by reporting United Nations organizations, which increased from 48.7 per cent to 74.4 per cent. It is typical that the adoption of measurable targets follows the adoption of strategy and policy implementation. However, the adoption of measurable targets, while increasing marginally, did not increase to the same extent as the adoption of policies and strategies.

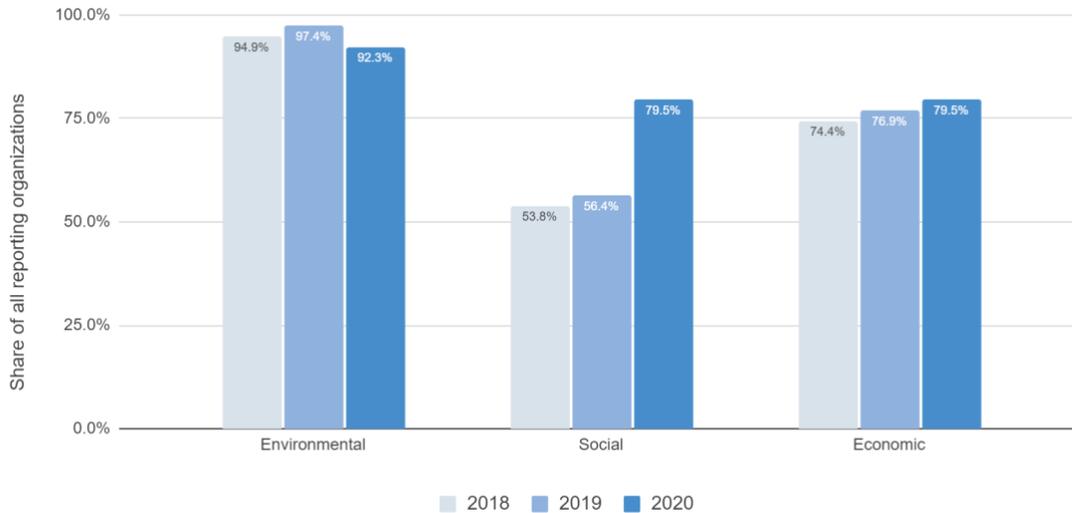
78. Internal capacity development remained steady, with 28 of the 39 reporting United Nations organizations training their procurers on sustainability over the past three years. Additional investments in activities to enhance sustainable procurement capacity also remained stable (with a marginal increase, from 16 organizations to 17). After *Sustainability strategy planning*, the largest area of sustainable procurement activities planned for 2021 is in *Further procurement investments other than training*, followed by *Training of staff*. This positive trend is demonstrated in the sections below on the integration of sustainability into the procurement process.

Figure 6. Integration of sustainable procurement in the procurement process, 2020

79. Year on year, the largest growth with regard to the integration of sustainable procurement into the procurement process has been through the inclusion or planned inclusion of sustainability-related content in contract clauses. Since 2018, this has increased from 33.3 per cent to 74.4 per cent, representing 25 organizations (see figure 6). The use of total cost of ownership remains widely used by the reporting organizations, slightly increasing year on year. Combined, 87.2 per cent of organizations have either implemented or plan to implement total cost of ownership as part of their procurement processes in 2021.

80. It is widely accepted that the earlier sustainability criteria are included in a procurement process, the higher the likelihood of meaningful impact. There was a steady increase in the inclusion of sustainability criteria into the pre-procurement stage of requirements definition. Although there was a marginal decrease between 2019 and 2020, it is expected to grow from 61.5 per cent to 82.1 per cent in 2021 when including organizations that plan its implementation. Not only has the inclusion of sustainability considerations in requirements definition increased, but a third of the organizations included them in over 20 per cent of procurement processes.

Figure 7. Types of considerations integrated in procurement processes, 2018-2020



81. When considering the integration of sustainability in the procurement process within the three recognized pillars of sustainability (environmental, social, economic), the distribution has been relatively balanced since the 2018 reporting year. However, integration of social considerations increased significantly in 2020, from 56.4 per cent to 79.5 per cent of organizations (see figure 7), bringing them to the same level as economic considerations. In 2020, 92.3 per cent of organizations integrated environmental considerations.

82. Suppliers play an integral role in ensuring that sustainable procurement has a meaningful impact. Over the last three years there has been a steady increase in how the reporting United Nations organizations engage with suppliers in their sustainable procurement efforts. Since 2018, there has been an increase in the verification of suppliers’ adhering to the United Nations Supplier Code of Conduct: in 2020, this reached a high of 66.7 per cent of the reporting United Nations organizations. In 2018, just under a third (30.8 per cent) of the reporting United Nations organizations collaborated with suppliers to enhance sustainability of the supply chain. That fraction increased to just over half (51.3 per cent) in 2019, and the positive trend continued into 2020, with 56.4 per cent of organizations. Although the planned sustainable procurement activities in 2021 do not demonstrate a priority to *Check suppliers’ adherence to United Nations Supplier Code of Conduct* and *Collaborate with suppliers to enhance sustainability in supply chain*, they show year-on-year growth in those two areas by the reporting United Nations organizations.

Annex. Participants

Thirty-nine United Nations organizations participated in the annual statistical report for 2020. Where this report refers to procurement by the United Nations system or by United Nations organizations, it refers to the procurement activities of those 39 organizations. The participating organizations in this reporting year are:

ECLAC	Economic Commission for Latin America and the Caribbean
ESCAP	Economic and Social Commission for Asia and the Pacific
ESCWA	Economic and Social Commission for Western Asia
FAO	Food and Agriculture Organization of the United Nations
IAEA	International Atomic Energy Agency
IFAD	International Fund for Agricultural Development
ILO	International Labour Organization
IMO	International Maritime Organization
IOM	International Organization for Migration
ITC	International Trade Centre
ITU	International Telecommunication Union
OPCW	Organisation for the Prohibition of Chemical Weapons
PAHO	Pan American Health Organization
UN-Women	United Nations Entity for Gender Equality and the Empowerment of Women
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNAKRT	United Nations Assistance to the Khmer Rouge Trials
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
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
UN-ICTY/MICT	United Nations International Criminal Tribunal for the former Yugoslavia
UNIDO	United Nations Industrial Development Organization
UNOG	United Nations Office at Geneva
UNON	United Nations Office at Nairobi
UNOPS	United Nations Office for Project Services
UNOV	United Nations Office at Vienna
UNPD	United Nations procurement Division
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