# 2023 ANNUAL STATISTICAL REPORT

ON UNITED NATIONS PROCUREMENT



40<sup>™</sup> EDITION

# 2023 ANNUAL STATISTICAL REPORT

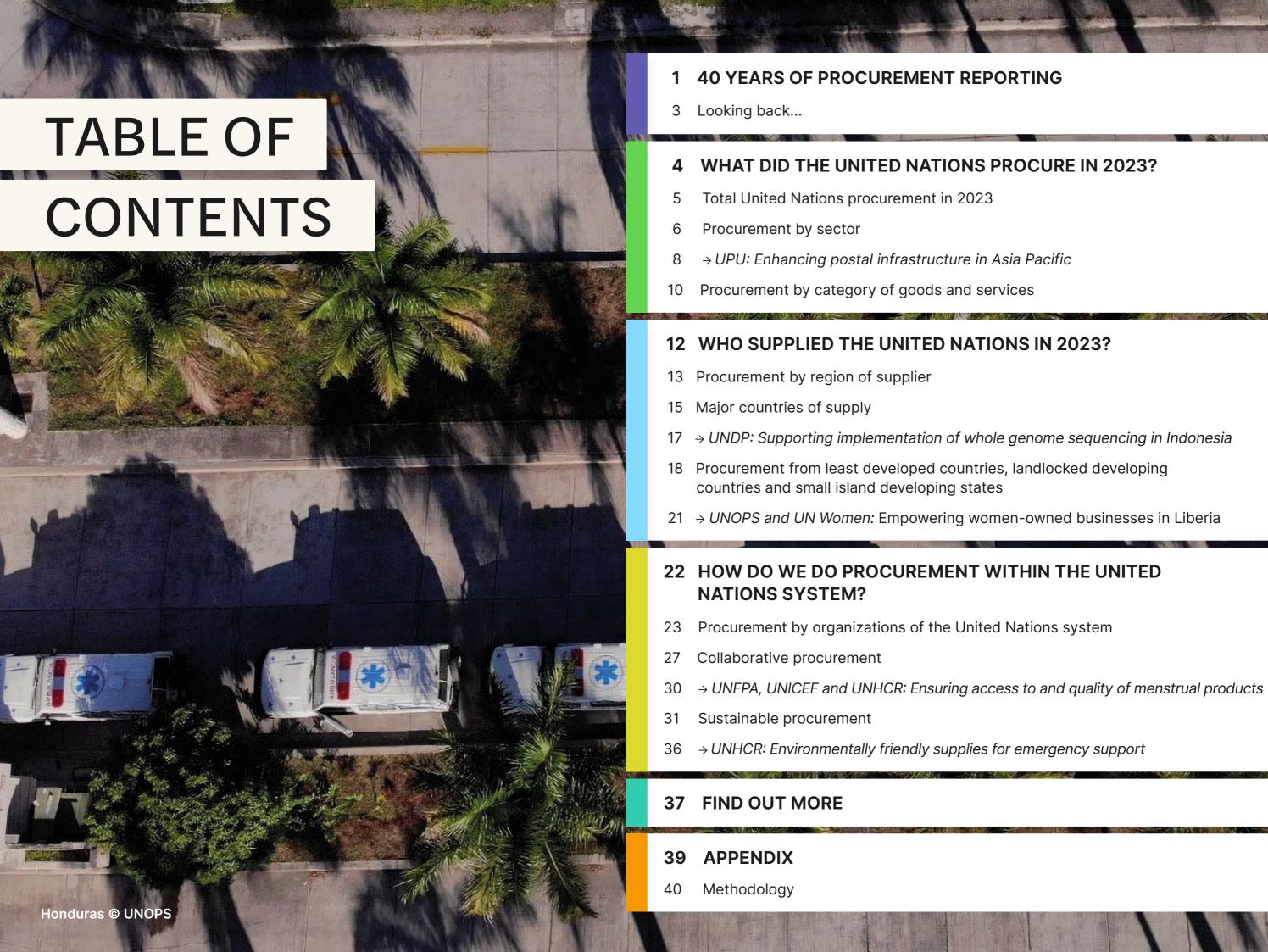
ON UNITED NATIONS PROCUREMENT



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.

This 40th edition of the report presents an analysis of key trends in UN procurement and is complemented by the full statistics published **online**. The ASR includes a breakdown of procurement by UN organization, by sectors of categories of goods and services procured, and by supplier country. 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.









António Guterres Secretary-General

"The United Nations oversees the spending of billions of dollars every year – on medicines, safety equipment, vehicles, and other goods and services. It is essential that this money is spent efficiently, effectively and sustainably, and contributes to our efforts to be more agile and responsive. For the past forty years, this annual report on UN procurement has detailed exactly what we spend, where we spend and what we buy. It is an important contribution towards accountability, transparency, sustainability and collaboration across the entire UN system."

# This report marks a significant milestone – the 40th year of the United Nations system reporting on its procurement activities through the Annual Statistical Report.

In the 39th session of the General Assembly in 1984, United Nations (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.

Since then, reporting on UN procurement activities has undergone a remarkable transformation. What began as a section within a broader report on the Operational Activities of the UN system has evolved into the detailed, standalone Annual Statistical Report (ASR) of today, complemented with an interactive online data portal, enabling readers to explore the procurement data in greater detail. Over time, the report's focus has expanded to show not only how much was procured by the UN, but also how it procured – including the UN system's efforts to improve efficiency and collaboration, and to procure sustainably.

The ASR serves a critical role. It provides valuable insights into key trends and developments within UN procurement, showcasing its impact across the organizations. By shedding light on these diverse aspects, the report demonstrates how the UN, as a collective, works towards achieving sustainable development.

Since 2008, the report has been compiled and published by the United Nations Office for Project Services (UNOPS) on behalf of all UN organizations. UNOPS extends its sincere gratitude to participating UN organizations for their continuous support and invaluable contributions. These contributions have been instrumental in making this publication possible over the years.



1984



#### **FIRST PUBLICATION**

Initial reporting published as a section in a report on the Operational Activities of the **UN** system

Organizations submit data on paper

1994



#### DIGITAL **ASR**

The first electronic version of the ASR published

Organizations submit data on 3.5" floppy disks

2008



#### **SUSTAINABLE PROCUREMENT**

Introduction of sustainable procurement reporting

2001



## SUBMISSIONS

Organizations submit data by email

2015



## INTERACTIVE ASR

Development of ASR website on United Nations Global Marketplace (UNGM)

Introduction of interactive dashboards

Organizations submit data through the new ASR upload tool on UNGM

2016



#### **COLLABORATIVE PROCUREMENT**

Introduction of collaborative procurement reporting

2022



### **INCREASED** TRANSPARENCY

Sustainable procurement data is attributed to specific organizations

Introduction of reporting on country economic groups (landlocked developing countries, small island developing states)

2018



#### **IMPROVED DATA ACCESSIBILITY**

More reader-friendly report format with key statistics and insights

Further enhancements of the ASR dashboards

### **TOTAL UNITED NATIONS PROCUREMENT IN 2023**

United Nations (UN) procurement in 2023 totalled \$24.9 billion. This marked the third highest procurement year on record, despite a \$4.7 billion, or 15.7 per cent, decrease compared to 2022. The decline was driven primarily by a decrease in the procurement of goods. UN organizations procured \$11.8 billion worth of goods in 2023, down from

\$16.1 billion in 2022. Procurement of services saw a modest decrease, from \$13.5 billion in 2022 to \$13.1 billion in 2023.

The same UN organizations reported their procurement for the 2023 Annual Statistical Report (ASR) as in the previous two editions.

→ More information on procurement by individual UN organizations can be found in the section 'How do we do procurement within the United Nations system?'

Figure 1. Total procurement of goods and services, and number of reporting organizations, 2013-2023



# PROCUREMENT BY SECTOR

While **Health** remained the largest sector of UN procurement in 2023, it saw a decrease of \$2.7 billion compared to the record highs of the past two years. This decline reflected a return to pre-pandemic procurement levels following the heightened response to COVID-19 and shifts in the project priorities of individual organizations. In 2023, health procurement reached \$4.8 billion, representing roughly one fifth of the total UN procurement volume.

Most of the UN health procurement went towards tangible health supplies and equipment. It was largely driven by procurement in the *Pharmaceuticals*, contraceptives and vaccines segment, worth \$3.5 billion, and the *Medical equipment and supplies* segment, worth \$1.1 billion. The United Nations Children's Fund (UNICEF) remained the leading procurer in the sector, with a procurement value of \$2.9 billion in 2023. Following UNICEF were the Pan American Health Organization (PAHO), with \$696 million, and the World Health Organization (WHO), with \$329 million.

**Construction, Engineering and Science** reached \$3.5 billion in 2023 and returned to second place after being displaced by Food and Farming in 2022. Procurement volume in the sector had remained relatively stable over the preceding three years, highlighting a sustained focus by

Table 1. Procurement by sector, 2023

Category (ASR sector level)	Total 2023 (\$ millions)	Total 2022 (\$ millions)	Total change 2022-2023 (\$ millions)	Total change 2022-2023 (%)
Health	4,823.9	7,565.4	-2,741.5	-36.2%
Construction, Engineering and Science	3,520.5	3,530.9	-10.4	-0.3%
Food and Farming	2,744.8	4,242.1	-1,497.3	-35.3%
Administration and Operations	2,731.6	2,533.8	197.8	7.8%
Transportation and Storage	2,562.7	2,901.2	-338.5	-11.7%
Media, IT and Communications	2,045.9	2,144.6	-98.7	-4.6%
Travel, Accommodation and Catering Services	1,594.0	1,540.8	53.2	3.5%
Utilities	1,218.3	1,251.1	-32.8	-2.6%
Finance, Insurance and Real Estate	1,196.3	1,176.7	19.6	1.7%
Humanitarian Aid, Peace, Security and Safety	749.7	818.0	-68.3	-8.4%
Motor Vehicles, Industrial Machinery and Heavy Equipment	682.8	581.3	101.4	17.5%
Other Goods and Services	602.3	746.1	-143.7	-19.3%
Education, Training and Recreation	455.7	554.7	-99.0	-17.9%
UN total	24,928.5	29,586.8	-4,658.3	-15.7%

the UN on infrastructure development and scientific projects globally. UNICEF was the largest procuring organization, with \$684 million spent (up by \$18 million), followed by the United Nations Office for Project Services (UNOPS), with \$556 million, and the United Nations Development Programme (UNDP), with \$508 million.

While the overall sector procurement saw a marginal change, some UN organizations significantly increased their procurement within the sector. UNOPS nearly doubled its procurement volume in the area compared to 2022 (up by \$183 million, or 48.9 per cent). Similarly, the International Organization for Migration (IOM) experienced a substantial rise in its procurement within the sector (up by \$108 million, or 57.2 per cent).

Food and Farming was the third-largest sector in 2023, despite a significant decrease of \$1.5 billion compared to 2022. The decrease can be attributed largely to reduced procurement by the World Food Programme (WFP), the main procuring organization in the sector, which recorded a \$1.4 billion decrease compared to 2022. Food and beverage products remained by far the largest segment within the sector, despite an overall decrease of \$1.6 billion. The Food and Agriculture Organization of the United Nations (FAO) was the second-largest procurer of goods and services in the sector, with a spend of \$339 million (down by \$31 million, or 8.4 per cent), followed by the UN Secretariat, with \$276 million (up by \$22 million, or 8.6 per cent).

Administration and Operations saw a record high procurement volume in 2023, at \$2.7 billion. This marked the largest increase in absolute terms among all sectors compared to 2022 (up by \$198 million, or 7.8 per cent). The increase was due primarily to increased procurement of *Management and administrative services*, which grew by \$175 million from 2022.



**UPU** 

## **ENHANCING POSTAL INFRASTRUCTURE IN ASIA PACIFIC**



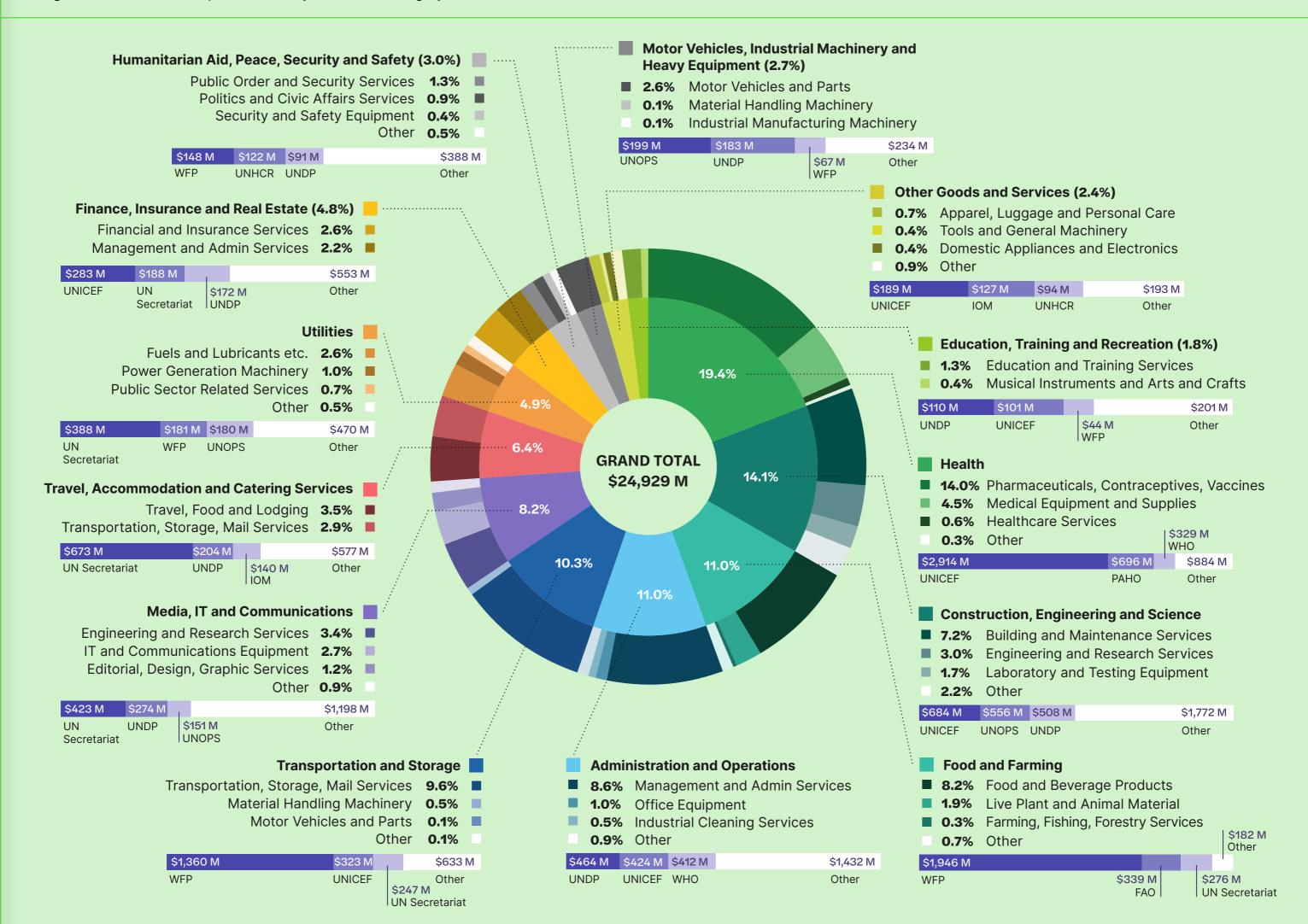
A postal worker delivering packages Bhutan © UPU

With a massive network of over 600,000 post offices, the global postal system is essential to ensuring that everyone can participate in the booming e-commerce industry. The Universal Postal Union (UPU) actively helps countries improve their postal infrastructure, as it has done in the Asia Pacific region, for example.

In August 2023, UPU provided Bhutan Post with three new utility trucks, enhancing mail transportation and delivery capabilities. The strategically chosen vehicles were deployed to the general post offices of Phuntsholing and Samdrup Jongkhar, areas crucial for efficient mail distribution.

The UPU procurement project extends far beyond delivering mail faster. By equipping Bhutan Post with these essential resources, the initiative empowers the company to improve customer satisfaction. With a more efficient delivery network, Bhutan Post can now offer a higher quality of service, providing a more positive experience for its customers. Bhutan Post staff have expressed their gratitude for the support, highlighting its direct impact on the well-being of the Bhutanese community.

In 2023, UPU procured nearly \$20 million worth of goods and services, which represented a 74.0 per cent increase compared to 2022.



## 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 2023. Unlike the sizeable increases observed in certain categories - such as Food and beverage products in 2022, and Pharmaceuticals, contraceptives and vaccines in 2021 - over the preceding two years, there were no notable spikes in 2023. However, certain UN organizations noted shifts in the procurement of specific categories and their geographical distribution.

Procurement of Pharmaceuticals, contraceptives and vaccines reached \$3.5 billion in 2023, maintaining the segment as the largest in UN procurement. Procurement in the segment saw an unprecedented increase during the past three years as UN organizations participated in COVID-19 response and recovery efforts, increasing the procurement and delivery of life-saving goods for vulnerable populations globally. As the pandemic

Table 2. Top 10 categories of procurement by volume, UNSPSC segment level, 2023

Category (UNSPSC segment level)	Total 2023 (\$ millions)	Total change 2022-2023 (%)	Share of procurement from least developed countries 2023 (%)
Pharmaceuticals, Contraceptives, Vaccines	3,504.2	-38.4%	0.5%
Transportation, Storage, Mail Services	3,112.0	-12.6%	31.0%
Management and Admin Services	2,678.2	7.2%	18.2%
Food and Beverage Products	2,042.4	-44.1%	20.9%
Building and Maintenance Services	1,803.0	4.6%	31.6%
Engineering and Research Services	1,676.9	-6.2%	10.8%
Medical Equipment and Supplies	1,117.0	-34.3%	8.8%
Travel, Food and Lodging	865.0	19.9%	21.3%
IT and Communications Equipment	670.3	-6.5%	7.0%
Motor Vehicles and Parts	668.4	20.2%	5.7%
Top 10 total	18,137.4		
UN total	24,928.5		

receded in 2023, procurement in the segment experienced a marked decrease compared to 2022 (down by \$2.2 billion). Immunomodulating drugs (including vaccines) comprised the key category of goods procured within the segment, with a total of \$2.8 billion spent in 2023, or 81.2 per cent of the total procurement volume in the segment.

UNICEF, a leading procuring organization in the segment, recorded a total spend of \$2.4 billion in 2023, a decrease of \$1.5 billion from 2022. Similarly, PAHO, the second-largest procurer in the segment, experienced a decline in the procurement of goods in the category in 2023, reaching \$665 million. Both organizations reported reduced procurement related to COVID-19 vaccines and their distribution. The United Nations Population Fund (UNFPA), on the other hand, recorded an increase of \$40 million compared to 2022, and was the third-largest procurer of pharmaceuticals and related goods in 2023, with a spend of \$214 million.

Transportation, storage and mail services was the second-largest category of UN procurement in 2023, totalling \$3.1 billion. A \$449 million decline in the procurement of transportation and related services was in part a reflection of the overall decrease in the procurement of goods by the UN in 2023. WFP, the largest procurer in the segment, with a spend of \$1.4 billion, recorded a decrease of \$179 million compared to 2022. Similarly, the secondand third-largest procuring organizations, the UN Secretariat, with \$583 million, and UNICEF, with

\$323 million, experienced a decrease of \$2.4 million and \$68 million, respectively.

Despite an overall decline in the segment, procurement of services from suppliers in some countries increased significantly, reflecting geographical shifts in UN operations. The most prominent changes in absolute terms were seen by suppliers in Kenya (up by \$59 million, or 30.1 per cent), South Sudan (up by \$43 million, or 65.8 per cent) and Ukraine (up by \$32 million, or 22.0 per cent). Some other dramatic shifts were observed in Kyrgyzstan and Kazakhstan. Procurement from Kyrgyz suppliers in the segment increased by more than 2,200 per cent, resulting in a total procurement value of \$25 million. Kazakhstan followed a similar trend, with a substantial increase of 962 per cent, bringing the total UN procurement in the segment to \$26 million in 2023.

Management and administrative services moved from fourth place in 2022 to third place in 2023. Procurement in the segment totalled \$2.7 billion in 2023, marking a record high volume and the highest increase among all segments compared to 2022 (up by \$179 million, or 7.2 per cent). The segment includes the contracting of temporary personnel or consultants to support short-term projects. The growth in the segment can be attributed primarily to the Office of the United Nations High Commissioner for Refugees (UNHCR), which recorded a \$54 million increase compared to 2022, largely in business administration services, and the United Nations Entity for Gender Equality and the Empowerment of Women

(UN Women), which more than doubled its procurement in the segment – up by \$50 million, mostly in human resources services.

Food and beverage products, with a total of \$2.0 billion, remained one of the key segments of UN procurement in 2023, despite seeing the highest decrease compared to 2022 (down by \$1.6 billion, or 44.1 per cent). WFP, which remained by far the largest procurer of food and beverages, with a total spend of \$1.7 billion, was responsible for 81.5 per cent of the total UN procurement in the segment. The UN Secretariat was the second-largest procurer, with \$274 million, followed by the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), with \$67 million.

The top segments remained largely unchanged compared to 2022, with the exception of *Fuels and lubricants*, which moved further down the list and was replaced by *Motor vehicles and parts* in tenth place.

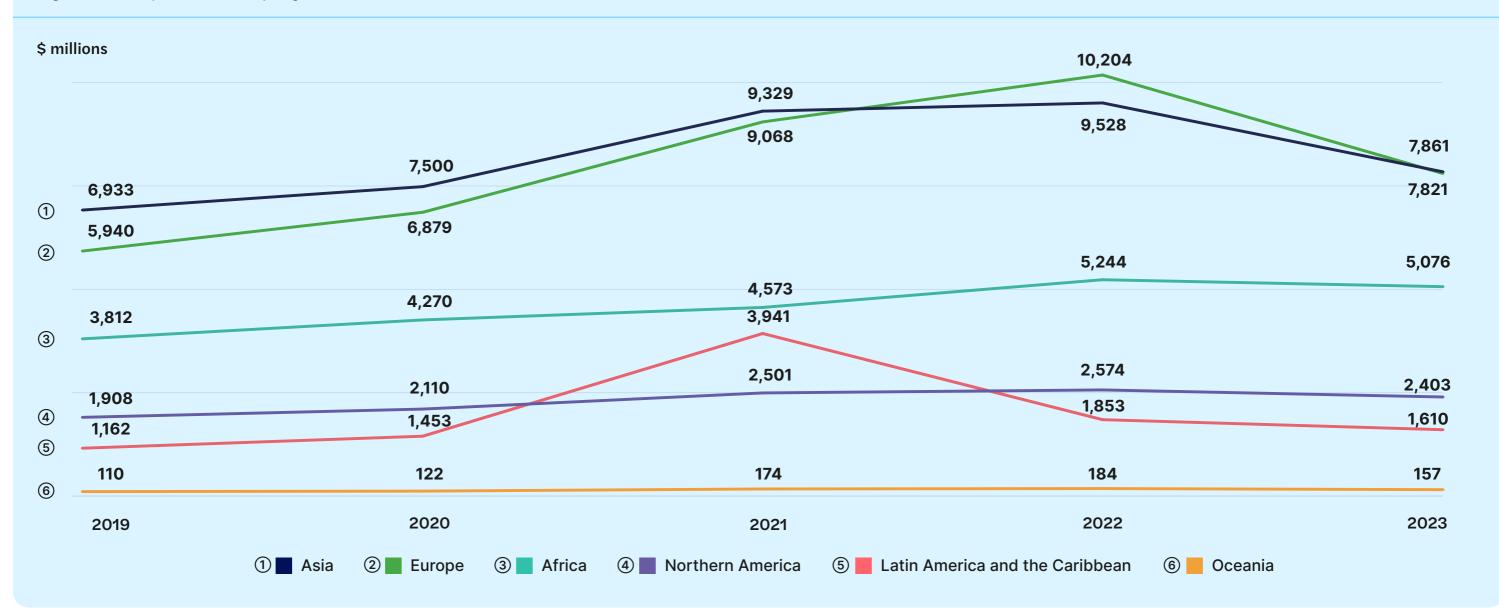
### PROCUREMENT BY REGION OF SUPPLIER

An overall decrease in UN procurement in 2023 was reflected in all regions. The most prominent decrease was seen in Europe, the largest region for UN procurement in 2022, followed by a decline recorded in Asia.

Despite a \$1.7 billion decrease compared to 2022, Asia was the largest region for UN procurement in 2023, with a total of \$7.9 billion. The volume of goods and services procured from suppliers in the region, while significantly lower than the levels recorded in the past two years, was \$361 million higher than in 2020. This was attributed mostly to changes in procurement in the two largest sectors – Food and Farming, and Health. The decrease was distributed evenly among the largest supplier countries in the region – India (down by \$245 million), Pakistan (down by \$218 million), Türkiye (down by \$214 million) and China (down by \$174 million).

Procurement from suppliers in Europe was only \$40 million lower than in Asia and reached \$7.8 billion in 2023. Of the \$2.4 billion decrease, \$1.9 billion was recorded in the Heath sector, mainly in Belgium (down by \$707 million) and the United Kingdom of Great Britain and Northern Ireland (down by \$642 million). Both countries were the key suppliers of goods and services for the COVID-19 response. The decrease in the region was partially offset by increased

**Figure 3.** Total procurement by region, 2019-2023





procurement from suppliers in Ukraine, which recorded \$211 million more than in 2022, primarily in the Construction, Engineering and Science sector.

Africa remained the third-largest region of UN procurement, totalling \$5.1 billion in 2023 – a decrease of \$168 million compared to 2022. Despite the overall decrease, the region increased its share of the total UN procurement by 2.6 per cent, and represented one fifth of the global total in 2023. The growth was concentrated in Central and East Africa: Chad (up by \$58 million); South Sudan (up by \$51 million); and the Democratic Republic of the Congo (up by \$36 million), primarily in the Transportation and Storage and Food and Farming sectors.

Procurement from suppliers in Latin America and the Caribbean decreased by \$243 million compared to 2022, totalling \$1.6 billion in 2023. The decline was driven largely by decreased procurement of health goods and services in Mexico, following the completion of a large health sector project by UNOPS. This was offset by increased procurement in Peru (up by \$61 million), driven primarily by IOM support of a construction project.

In Northern America, procurement from suppliers decreased by \$171 million, or 6.6 per cent, while their share of the total UN procurement increased marginally, from 8.7 per cent in 2022 to 9.6 per cent in 2023. Procurement from suppliers in Oceania saw a \$27 million decrease, primarily in the *Transportation*, storage and mail services category in the Marshall Islands (down by \$19 million).

# MAJOR COUNTRIES OF SUPPLY

In 2023, the UN sourced goods and services from 218 countries and territories. The 10 countries with the highest procurement volumes are shown in Table 3. Those countries were responsible for procurement worth \$9.6 billion, or 38.3 per cent of the total UN procurement in 2023. The share of the top 10 countries decreased by slightly more than 4 per cent compared to 2022. Furthermore, there were only two supplier countries with procurement exceeding \$1 billion in 2023, compared to seven in 2022, suggesting a slight deconcentration of procurement from the top supplier countries.

The United States of America remained the largest supplier country, at \$2.2 billion - a decrease of \$134 million compared to 2022. UNICEF, the main procurer from suppliers in the country, decreased its procurement by \$79 million to \$713 million. This was driven largely by reduced procurement of Medical equipment and supplies (down by \$43 million). Similarly, the UN Secretariat, the second-largest procuring organization in the country, recorded a decrease of \$32 million overall; however, it increased its procurement of Transportation, storage and mail services by \$27 million. The country regained its position as the largest supplier country of Pharmaceuticals, contraceptives and vaccines, with a total of \$812 million, after being displaced by Belgium in 2022. Moreover, the country remained

Table 3. Top 10 supplier countries by procurement volume, 2023

Supplier country	Goods 2023 (\$ millions)	Services 2023 (\$ millions)	Total 2023 (\$ millions)	Share of UN total 2023 (%)	Total change 2022-2023 (%)
United States of America	1,164.1	1,060.8	2,224.9	8.9%	-5.7%
Denmark	447.0	594.1	1,041.1	4.2%	-20.0%
United Arab Emirates	634.6	292.7	927.2	3.7%	-9.3%
Switzerland	148.3	759.7	907.9	3.6%	-25.8%
Belgium	779.4	91.9	871.3	3.5%	-50.2%
India	675.5	194.8	870.3	3.5%	-22.0%
United Kingdom of Great Britain and Northern Ireland	282.7	409.6	692.3	2.8%	-47.0%
Ukraine	271.4	412.9	684.4	2.7%	44.5%
France	521.7	147.3	669.0	2.7%	-20.3%
Türkiye	447.2	218.0	665.3	2.7%	-24.4%
Top 10 total	5,372.0	4,181.6	9,553.7	38.3%	-22.1%
UN total	11,824.0	13,104.5	24,928.5		-15.7%

the key supplier of *Management and administrative* services and *Engineering and research services*.

In 2023, Denmark moved to second position in the list organized by supply volume, after being in fourth place in 2022. Procurement from Danish suppliers totalled \$1.0 billion in 2023 (down by \$260 million compared to 2022). The country hosts some of the main hubs of the UN system and serves as a main supplier country for *Transportation*, storage and mail services, with \$388 million worth of services procured in 2023. Of the total volume, \$154 million was attributed to procurement with a UN organization as the supplier (see the collaborative procurement section for further details). UNICEF was the main procurer in the country, with \$270 million, followed by UNDP, with \$192 million, and UNHCR, with \$142 million.

Supplies from the United Arab Emirates reached \$927 million in 2023, making it the third-largest supplier country overall and the largest in Asia, despite a decrease in UN procurement in its main supply category, *Fuel and lubricants* (down by \$102 million). Having moved from ninth to seventh position in 2022, it moved to third place in 2023. The UN Secretariat remained the main procuring organization in the country, with \$497 million procured in 2023 (down by \$58 million), followed by WFP, with \$131 million (down by \$43 million), and UNICEF, with \$105 million (up by \$16 million). Suppliers in the country saw an increase in UN procurement of *Motor vehicles and parts* (up by \$18 million, or 49.0 per cent) and *Live plant and animal material* (up by \$12 million, or 659 per cent).

Switzerland moved from fifth position in 2022 to fourth in 2023, with a total procurement amount of \$908 million. The most prominent increase was seen by the International Labour Organization (ILO) (up by \$96 million), which noted the ongoing project to renovate its headquarters in Geneva.

Switzerland was followed by Belgium, which moved from second- to fifth-largest country of supply, recording half the procurement amount compared to 2022 (from \$1.7 billion to \$871 million in 2023). Of that decrease, \$707 million was related to the supply of health goods and services. However, the country was still the second-largest supplier of *Pharmaceuticals*, contraceptives and vaccines, representing one fourth of the global procurement total in 2023.

India remained the sixth-largest country of supply for the UN, recording only \$1 million less than Belgium – \$870 million in total. Suppliers in the country also saw a decrease in UN procurement of health products, particularly *Pharmaceuticals*, *contraceptives* and vaccines (down by \$154 million).

Similarly to Belgium, supplies of health goods from suppliers in the United Kingdom of Great Britain and Northern Ireland saw a decrease compared to 2022, resulting in an overall \$613 million decrease in the total procurement from the country.

France, with \$669 million worth of supplies, was the ninth largest and remained the top supplier country

for *Laboratory and testing equipment*. Türkiye was the tenth-largest supplier country, with \$665 million.

While 9 of the 10 largest supplier countries saw a decrease in UN procurement in 2023, Ukraine recorded a significant increase compared to 2022.

Suppliers in Ukraine experienced an increase of \$211 million in procurement in 2023 and reached \$684 million, moving the country into the top 10 supplier countries. That growth was attributed largely to increased procurement of Building and maintenance services (up by \$73 million), as well as Transportation, storage and mail services (up by \$31 million) in support of the UN response to the emergency in the country. IOM recorded the highest increase in procurement from Ukrainian suppliers (up by \$62 million, or 255 per cent), noting a large ongoing project for the reconstruction of buildings and other critical infrastructure in the country. Similarly, UNICEF increased its procurement in the country by \$37 million, or 49.8 per cent, and UNHCR by \$31 million, or 84.1 per cent – both mainly in construction services.

#### **UNDP**

# SUPPORTING IMPLEMENTATION OF WHOLE GENOME SEQUENCING IN INDONESIA



A biologist at a biomolecular laboratory Indonesia © UNDP/Jieliwosy Silas Salawati

In 2022, the Indonesian Ministry of Health initiated a project to implement whole-genome sequencing technology in the national healthcare system. The initiative, supported by an initial \$10 million from the Global Fund, aimed to equip 17 laboratories across Indonesia with advanced whole-genome sequencing equipment.

The UNDP office in Indonesia, in collaboration with their Danish counterparts, played a key role in optimizing project resource allocation. By leveraging long-term agreements established with healthcare equipment vendors, UNDP was able to procure the equipment for a reduced price, at the final cost of \$4.8 million. That strategic approach resulted in cost savings of more than half of the initial budget allocation. The outcome both maximized project budgets and established a foundation for future expansion.

The sequencing of 6,000 SARS-CoV-2 genomes marked the establishment of robust whole-genome sequencing capabilities in Indonesia, paving the way for further advancements in the field. The project is ready to begin sequencing the entire human genome, the initial goal being to analyze 400 samples. By the end of 2024, the project aims to have processed a total of 10,000 samples. Additionally, it has now expanded to include 29 laboratories across Indonesia for disease surveillance and precision medicine, supported by an additional budget of \$21 million. These advancements position Indonesia to make strides in genomic research and in healthcare provision.

In 2023, UNDP procured \$45 million worth of Laboratory and testing equipment globally.

## PROCUREMENT FROM LEAST DEVELOPED COUNTRIES, LANDLOCKED DEVELOPING COUNTRIES AND SMALL ISLAND DEVELOPING STATES

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 stood at 45 by the end of 2023. The count of LDCs decreased by one compared to 2022, as Bhutan graduated from the LDC status. Marking the seventh successful transition from this category, Bhutan joined other economies that had graduated, including Botswana (1994), Cabo Verde (2007), the Maldives (2011), Samoa (2014), Equatorial Guinea (2017), and Vanuatu (2020).

UN procurement from suppliers in LDCs totalled \$5.0 billion in 2023. Following the overall decrease in procurement recorded by the UN in 2023, procurement from LDCs also saw a decrease of \$346 million, or 6.5 per cent, compared to 2022. However, the total remained higher than the levels recorded before 2022 (up by nearly \$500 million from 2021). The share of UN procurement from suppliers in LDCs increased from 15.7 per cent in 2022 to 20.1 per cent in 2023. WFP continued to be the largest procurer from such countries, recording a total of \$1.6 billion in 2023 (down by \$203 million), followed by UNICEF, with \$847 million (down by \$107 million), and UNDP, with \$532 million (down by \$12 million).

In absolute terms, UNOPS had the largest increase in procurement from suppliers in LDCs, reaching \$336 million in 2023 (up by \$35 million). Yemen and Afghanistan were among the 10 largest supplier countries by volume. The UN Secretariat recorded a rise of \$18 million, resulting from increased procurement from suppliers in South Sudan (up by \$20 million), largely in Building and maintenance services.

Yemen had the largest procurement volume among all LDCs in 2023, reaching \$645 million. Despite a \$54 million decrease compared to 2022, the country increased its supplies of Building and maintenance services by 32.5 per cent, or \$28 million, and Power generation machinery by more than 500 per cent, totalling \$39 million in 2023.

Yemen was followed by Afghanistan, with a total of \$621 million - a decrease of \$127 million, or 17.0 per cent, compared to 2022. Similarly to suppliers in Yemen, those in Afghanistan saw increased procurement of services in support of construction projects – Building and maintenance services nearly doubled compared to 2022 (up by \$45 million, or 97.2 per cent). This was offset by decreased procurement of products in Food and Farming including Food and beverage products (down by

Figure 4. Procurement from least developed countries, 2019-2023

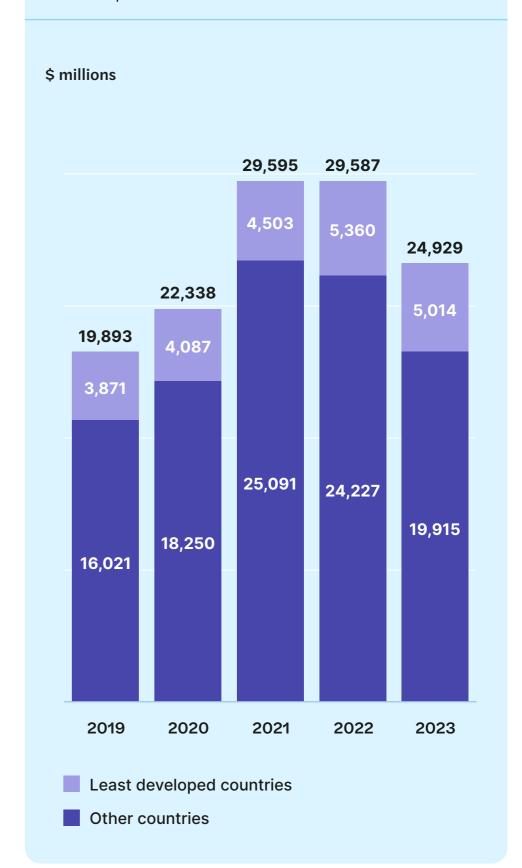


Table 4. Top 20 countries by procurement volume – least developed countries, 2023

Supplier country	Goods 2023 (\$ millions)	Services 2023 (\$ millions)	Total 2023 (\$ millions)	Share of UN total 2023 (%)	Total change 2022-2023 (%)
Yemen	138.6	506.7	645.4	2.6%	-7.7%
Afghanistan	244.2	376.8	621.0	2.5%	-17.0%
Ethiopia	118.0	288.6	406.6	1.6%	-17.8%
Democratic Republic of the Congo	174.8	165.7	340.5	1.4%	11.7%
South Sudan	93.9	243.9	337.8	1.4%	17.6%
Sudan	107.9	121.0	229.0	0.9%	-28.5%
Somalia	31.0	190.5	221.5	0.9%	16.1%
Uganda	87.8	111.8	199.6	0.8%	-13.1%
Bangladesh	85.7	104.2	189.9	0.8%	-13.6%
Mozambique	61.3	106.0	167.3	0.7%	-3.8%
Chad	66.1	91.4	157.6	0.6%	58.3%
Burkina Faso	53.1	64.1	117.2	0.5%	-13.8%
Niger	55.0	56.2	111.1	0.4%	-29.4%
Mali	22.4	87.8	110.2	0.4%	-16.5%
Myanmar	62.3	40.2	102.4	0.4%	18.3%
Haiti	33.3	67.7	100.9	0.4%	27.2%
Rwanda	72.6	25.8	98.3	0.4%	-11.3%
United Republic of Tanzania	33.2	61.7	94.9	0.4%	-8.9%
Central African Republic	32.0	53.5	85.4	0.3%	-2.1%
Madagascar	31.4	45.3	76.7	0.3%	-15.1%
Top 20 total	1,604.6	2,808.7	4,413.3	17.7%	-7.1%
LDCs total	1,776.8	3,236.8	5,013.6	20.1%	-6.5%
UN total	11,824.0	13,104.5	24,928.5		-15.7%

\$130 million) and Live plant and animal material (down by \$30 million).

Procurement from suppliers in Ethiopia totalled \$407 million, marking a decrease of \$88 million compared to 2022 and reaching nearly the same level as in 2021. Despite the overall decrease, UNDP more than doubled procurement in the country (up by \$10 million, or 129 per cent), ILO increased procurement by \$5.2 million and UNICEF by \$4.7 million.

Procurement from suppliers in the Democratic Republic of the Congo continued to rise in 2023. Further to a \$113 million increase in 2022, suppliers saw an increase of \$36 million in 2023, leading to a total of \$341 million. The increase was attributed largely to increased supplies of Food and beverage products (up by \$22 million), primarily to WFP, and Building and construction machinery (up by \$80 million), mainly to UNDP.

Chad and South Sudan were the other two countries recording significant increases in 2023 – up by \$58 million and \$51 million, respectively. While procurement from Chadian and South Sudanese suppliers grew mostly due to increases in the category of Transportation, storage and mail services (up by \$64 million), there was also a notable rise in supplies of Food and beverage products (up by \$15 million).

Procurement from landlocked developing countries (LLDCs) reached \$2.9 billion in 2023. Similar to procurement from LDCs, procurement from LLDCs

experienced a decrease compared to 2022 (down by \$342 million). The UN procured goods and services from 32 different LLDCs in 2023, of which \$2.5 billion worth of supplies were sourced from countries that are both landlocked and least developed countries.

Afghanistan remained the largest supplier country among LLDCs, followed by Ethiopia and South Sudan – all three countries are also LDCs.

The UN procurement volume from suppliers in small island developing states (SIDS) stood at \$627 million in 2023. It was \$110 million lower than the record high level of 2022, but still \$91 million higher than the volume recorded in 2021. UN organizations sourced goods and services from 50 SIDS, 8 of which were also LDCs. UNICEF was the main procuring organization from suppliers in SIDS, recording the largest growth compared to 2022 – an increase of \$62 million totalling to \$178 million in 2023. That was followed by WFP (\$120 million) and UNDP (\$114 million).

More than a third of the total procurement from SIDS was from suppliers in Singapore (\$232 million), primarily in the *Pharmaceuticals, contraceptives and vaccines* category. Haiti was the second-largest supplier among SIDS, accounting for \$101 million in 2023. Procurement from suppliers in the country rose by \$22 million, due mainly to increases in the supply of *Building and maintenance services* (up by \$7.6 million). Papua New Guinea was the third, recording a total of \$33 million (down by 3.0 million). The key categories of procurement from the country were *Management and administrative services*, with \$6.4 million, and *Travel, food and lodging*, with \$5.6 million.

Table 5. Top 10 categories of procurement from LLDCs and SIDS by volume, UNSPSC segment level, 2023

Category (UNSPSC segment level)	Total from LLDCs and SIDS 2023 (\$ millions)	Total from LLDCs 2023 (\$ millions)	Total from SIDS 2023 (\$ millions)
Transportation, Storage, Mail Services	695.5	631.2	64.3
Food and Beverage Products	425.0	379.1	45.9
Management and Admin Services	354.6	285.3	69.3
Building and Maintenance Services	332.6	297.4	35.2
Live Plant and Animal Material	188.5	162.8	25.7
Travel, Food and Lodging	165.8	122.1	43.7
Engineering and Research Services	147.4	114.5	32.9
Pharmaceuticals, Contraceptives, Vaccines	141.7	6.5	135.2
Public Order and Security Services	102.6	90.4	12.3
Fuels and Lubricants etc.	94.5	90.5	4.0
Top 10 total	2,648.2	2,179.7	468.5
UN total	3,561.1	2,933.9	627.2

#### **UNOPS AND UN WOMEN**

## EMPOWERING WOMEN-OWNED BUSINESSES IN LIBERIA



UP Forum participants concluding the workshop Liberia © UNOPS

Women entrepreneurs are reshaping the business landscape in Liberia, particularly in the informal sector. However, a lack of awareness about public procurement opportunities limits the ability of women-owned businesses to participate in competitive bidding processes and contribute their capabilities to larger projects.

The UNOPS Possibilities (UP) Forum in Liberia, a collaborative effort between UNOPS and UN Women, is bridging this gap. The event, organized in May 2023, targeted women-owned and women-led businesses, helping them to become active participants in public procurement.

The joint UNOPS-UN Women UP Forum provided essential knowledge and resources to 33 women-owned businesses, enabling them to participate effectively in UN tenders and public procurement opportunities. Through handson sessions, participants gained valuable insights into business opportunities with UNOPS and other UN organizations. They learned about vendor registration procedures, bidding requirements, and the recommendations for submitting competitive and high-quality bids.

Furthermore, participants gained access to resources specifically designed for small and medium enterprises, including financial products from leading Liberian banks.

The success story of the UP Forum in Liberia exemplifies the power of targeted and collaborative initiatives. By equipping Liberian women entrepreneurs with the right tools and resources, the forum is paving the way for a more inclusive and diverse business landscape in Liberia.

UP Forums, an initiative of the UNOPS supplier diversity and inclusion programme (UNOPS Possibilities), are in-person or online tailored workshops aiming to strengthen the capacity of local diverse suppliers. Fourteen forums have been held since the programme launched in 2015, bringing together over 1,600 participants representing more than 800 companies registered on the United Nations Global Marketplace (UNGM).

## PROCUREMENT BY ORGANIZATIONS OF THE **UNITED NATIONS SYSTEM**

Half of the reporting UN organizations noted a decrease in procurement volume in 2023 compared to 2022, recording \$5.0 billion less combined (see Table 6). However, total procurement by those organizations remained \$4.0 billion higher than prepandemic levels in 2019, and \$1.5 billion more than in 2020. This reflected the massive UN support to the COVID-19 response over the previous three years, as well as its ongoing support for global emergencies.

The top 10 largest organizations by procurement volume remained largely unchanged from 2022. The only shift was recorded for IOM, which moved from ninth to eighth place, replacing PAHO.

UNICEF was the largest procuring organization in 2023, with a total of \$5.2 billion – a decrease of \$2.1 billion compared to 2022. Although the decrease was driven largely by reduced procurement of Pharmaceuticals, contraceptives and vaccines (down by \$1.5 billion) and Medical equipment and supplies (down by \$363 million), UNICEF remained the largest procurer in both categories, with a total procurement value of \$2.4 billion and \$555 million, respectively. It was also the main procurer of Building and maintenance services, with \$407 million (up by \$35 million), including an additional \$26 million in procurement from suppliers in Ukraine.

Table 6. Procurement by UN organization, 2023

Organization	Total 2023 (\$ millions)	Total change 2022-2023 (%)	Share of procurement from least developed countries 2023 (%)	Share of procurement from LDCs/LLDCs/SIDS 2023 (%)
UNICEF	5,244.1	-29.0%	16.2%	19.8%
WFP	4,482.8	-25.6%	34.8%	39.4%
UN Secretariat	2,938.7	-5.2%	12.7%	14.9%
UNDP	2,547.1	-10.0%	20.9%	29.2%
UNOPS	1,604.3	-8.5%	21.0%	22.8%
WHO	1,519.5	-7.0%	15.9%	20.4%
UNHCR	1,319.7	-7.8%	19.4%	20.5%
IOM	1,192.7	0.1%	25.1%	27.7%
РАНО	981.4	-27.2%	1.1%	3.1%
FAO	752.7	4.5%	46.4%	51.8%
UNFPA	538.9	18.2%	12.9%	16.3%
ILO	326.6	22.6%	13.1%	15.5%
UNRWA	246.6	-19.3%	0.4%	0.4%
IAEA	193.3	14.1%	0.1%	0.6%
UN Women	176.5	2.1%	18.2%	29.2%
WIPO	169.4	31.3%	0.4%	1.4%
UNESCO	156.7	-11.0%	17.3%	22.0%

Continued on next page →

WFP remained the second-largest procurer in 2023, with \$4.5 billion, despite a decrease of \$1.5 billion compared to 2022. The decline was reflected in its key procurement category, Food and beverage products, which decreased by \$1.6 billion compared to 2022. As an offset to the decrease, WFP saw a \$185 million growth in the procurement of Live plant and animal material (\$199 million in total) and became the second-largest procurer in the segment in 2023. While procurement from suppliers in Afghanistan and Türkiye decreased considerably from 2022, WFP sourced an additional \$42 million worth of goods and services from suppliers in South Sudan, and \$22 million more from suppliers in Chad, becoming the largest UN procurer in those countries. This also resulted in an increase in WFP procurement from suppliers in LDCs - up by 5.5 per cent compared to 2023.

The UN Secretariat recorded a modest decrease in its spend to \$2.9 billion in 2023 (down by \$161 million). Of the decrease, \$150 million was attributed to a decrease in the procurement of *Fuel and lubricants*. However, the organization remained by far the largest procurer in the segment, with \$300 million, or 46.9 per cent of the segment's total. The most prominent increase was seen in the *Travel*, *food and lodging* segment, which recorded procurement worth \$70 million more in 2023, in addition to a \$147 million growth in 2022. Geographically, its procurement volume increased in Kazakhstan (up by \$22 million from \$3.3 million in 2022), South Sudan (up by \$20 million from \$19 million in 2022) and Panama (up by \$15 million from \$2.4 million), affecting the overall UN procurement in those countries.

Table 6. Continued from previous page

Organization	Total 2023 (\$ millions)	Total change 2022-2023 (%)	Share of procurement from least developed countries 2023 (%)	Share of procurement from LDCs/LLDCs/SIDS 2023 (%)
UNIDO	138.2	-12.5%	13.7%	14.8%
ICAO	92.1	49.8%	0.2%	0.3%
IFAD	60.3	7.9%	6.8%	7.3%
UNAIDS	37.9	-6.6%	12.7%	18.9%
ITC	27.5	-5.7%	22.2%	27.3%
WTO	25.7	10.9%	0.0%	0.0%
UNFCCC	24.3	39.3%	0.0%	0.0%
ITU	23.2	-22.8%	0.2%	0.3%
OPCW	22.4	-5.3%	0.2%	0.8%
UPU	19.5	74.0%	5.1%	7.3%
WMO	19.4	48.3%	0.4%	2.1%
IMO	17.7	41.0%	0.0%	0.2%
UNU	16.2	135.3%	2.4%	2.5%
UNV	9.3	19.2%	0.6%	1.0%
UN Tourism	3.8	-5.6%	0.2%	0.8%
UN Total	24,928.5	-15.7%	20.1%	23.9%

Note: Calculation of share of procurement from LDCs, LLDCs and SIDS excludes data where the supplier country is unknown.



UNDP, the fourth-largest procuring organization, reached \$2.6 billion worth of procurement in 2023 – a decrease of \$284 million from 2022. While recording a reduction in the procurement of *Engineering* and research services (down by \$155 million) and *Pharmaceuticals, contraceptives and vaccines* (down by \$110 million), it procured more *Motor vehicles and* parts (up by \$108 million), *Building and construction* machinery (up by \$82 million) and *Power generation* machinery (up by \$73 million).

UNOPS was fifth, recording a total of \$1.6 billion in 2023. This marked the third-highest procurement year on record, despite a \$149 million decrease compared to 2022. The decrease was primarily seen in Pharmaceuticals, contraceptives and vaccines (down by \$249 million), following the finalization of a large health procurement project in Mexico that had resulted in the highest procurement total in 2021. As an offset, UNOPS recorded a significant increase in the procurement of *Motor* vehicles and parts, which more than doubled from 2022 and reached \$178 million in 2023, mainly in support of projects in Ecuador and Ethiopia. Procurement of Building and maintenance services also grew notably (up by \$72 million), with most of it recorded for infrastructure projects in Yemen (up by \$22 million) and Afghanistan (up by \$38 million).

Although half of the reporting organizations saw a decrease in procurement, the remainder reported a combined growth of \$323 million in 2023. UNFPA saw the highest increase in absolute terms (up by \$83 million to \$539 million), followed by ILO (up \$60 million to \$327 million) and the World Intellectual Property Organization (WIPO) (up \$40 million to \$169 million).

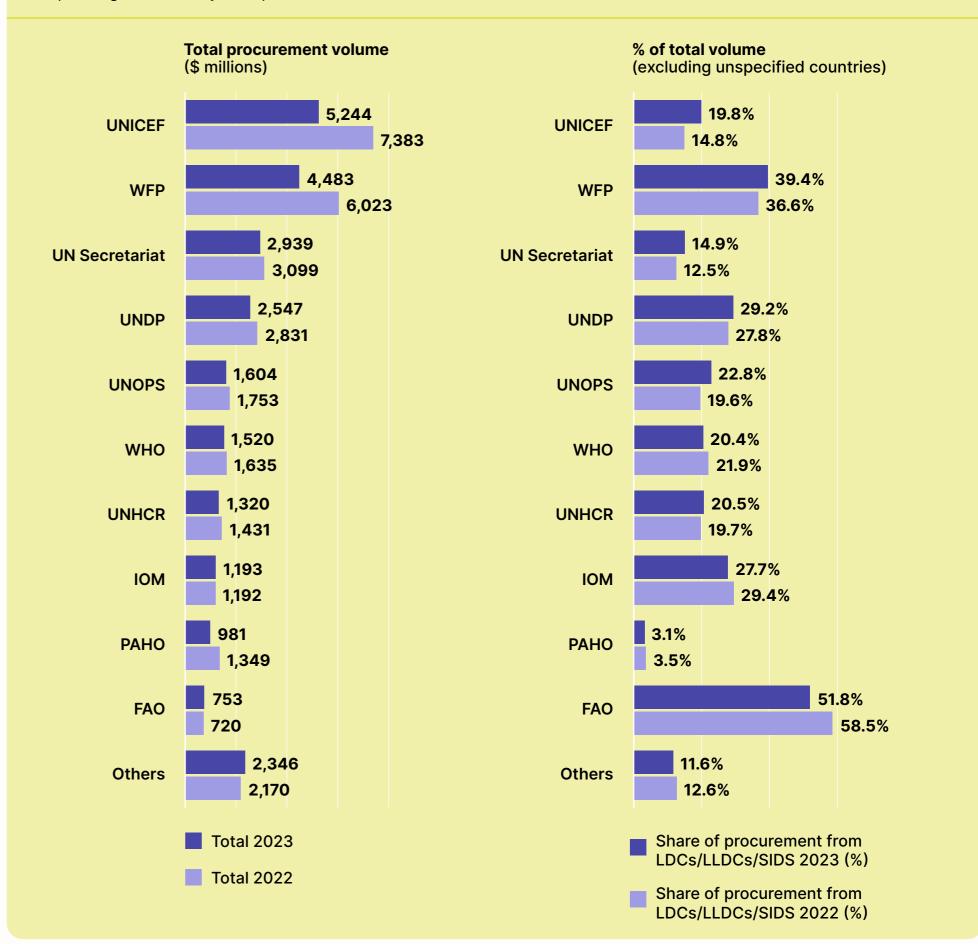
FAO increased its procurement by \$33 million in 2023, noting support of multiple projects in emergency contexts, including Afghanistan, Sudan and Ukraine. IOM increased its procurement by \$868,000 to \$1.2 billion, largely due to increased procurement in support of infrastructure projects in Peru and Ukraine.

In percentage terms, the United Nations University (UNU) recorded the highest increase in procurement volume – up by 135 per cent, from \$6.9 million in 2022 to \$16 million in 2023. The increase was primarily seen in travel and event management. UPU saw a 74.0 per cent increase, from \$8.3 million in 2022 to \$20 million in 2023, due to the organization of its fourth Extraordinary Congress in 2023.

UN organizations continued to prioritize sustainability in procurement. In 2023, 24 out of 30 organizations reported the inclusion of environmental, social and economic considerations in their procurement – 2 more organizations compared to 2022. These organizations accounted for a significant portion of UN procurement, representing 95.9 per cent or \$23.9 billion of the total spend in 2023. An additional four organizations reported inclusion of at least two sustainability dimensions in their procurement.

→ More details about organizations' efforts
 to integrate sustainability considerations
 into their procurement processes are in
 the 'Sustainable procurement' section.

**Figure 5.** Procurement by UN organizations from LDCs/LLDCs/SIDS, 2022-2023 (top 10 organizations by total procurement volume)



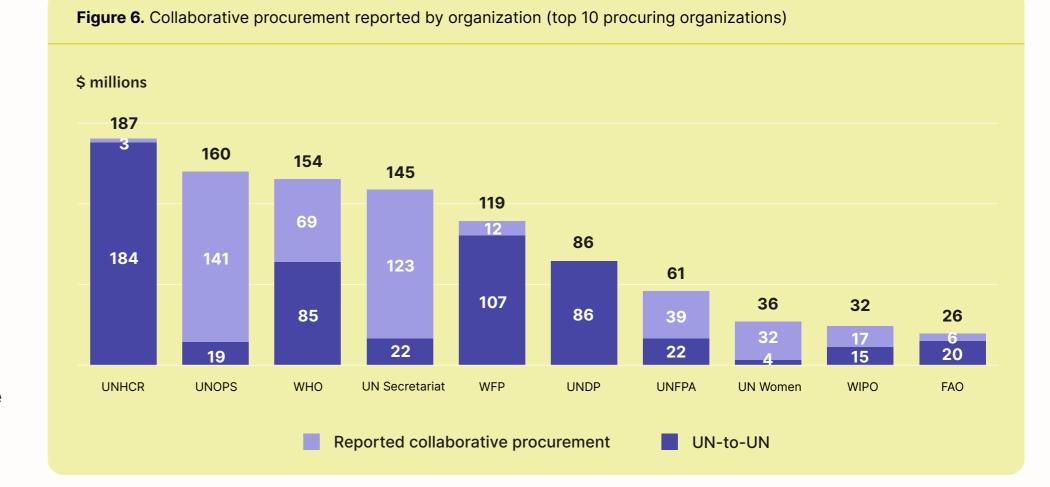
## **COLLABORATIVE PROCUREMENT**

Following General Assembly Resolution 71/243 on collaborative efforts within the UN system, collaborative procurement data has been collected in the ASR since 2016.

Collaborative procurement aims to achieve cost savings or enhance service quality through economies of scale while minimizing inefficiencies and duplication across UN organizations. However, reporting detailed data on collaborative procurement remains a challenge for some organizations, making it difficult to quantify the precise volume of collaborative procurement. The reported figures therefore represent a conservative estimate of collaboration within the UN system.

Similarly to the past two years, all UN organizations used collaborative procurement approaches, recording a total of \$1.1 billion in 2023. This amount was \$399 million lower than the level recorded in 2022. Despite the decrease, the overall share of collaborative procurement compared to total procurement remained relatively stable, declining only slightly from 5.2 per cent in 2022 to 4.6 per cent in 2023.

All organizations reported instances where they directly procured goods or services from another UN organization ('UN-to-UN procurement'). Furthermore, 24 organizations reported broader collaborative activities beyond this specific type. Further analysis breaks down total collaborative procurement into the above two categories.



\$ millions 214 52 146 125 109 93 82 35 66 162 135 44 115 49 35 30 50 81 74 33 Management IT and Financial and Engineering Politics and Transportation, Travel, Food Medical Building and and Admin Communications Insurance and Research Civic Affairs Storage, and Lodging Equipment Maintenance and Security Services Services and Supplies Services Services Equipment Services Mail Services Services

UN-to-UN

Reported collaborative procurement

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

Of the total collaborative procurement volume, \$492 million came from collaborative activities outside UN-to-UN procurement – a decrease of \$332 million compared to 2022. The decline was driven largely by a decrease in the number of organizations able to indicate such collaboration in their submissions — from 26 in 2022 to 24 in 2023. When considering only the organizations that reported collaborative procurement in both 2022 and 2023, the reported amount decreased by \$49 million.

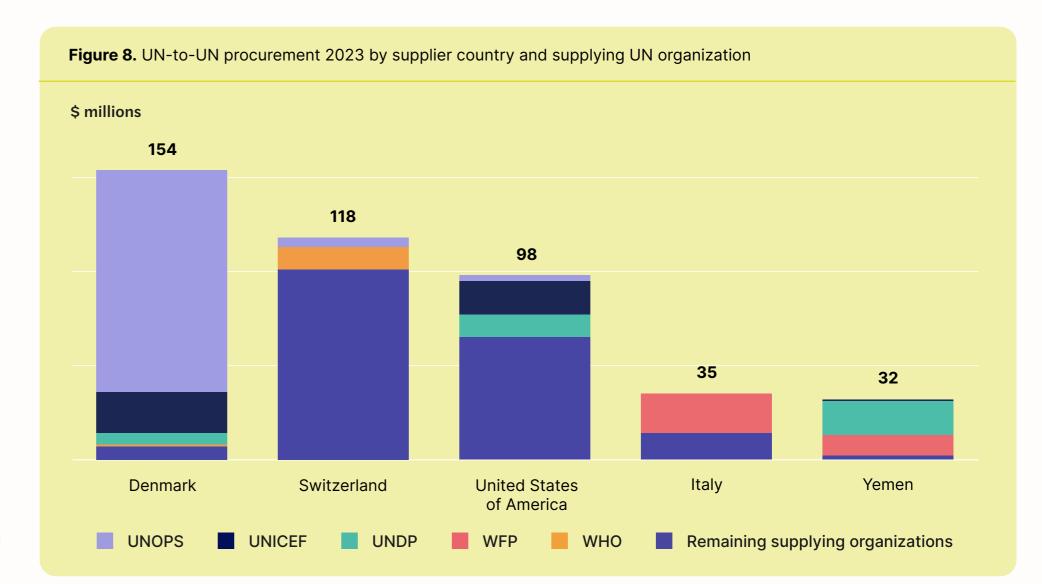
UNOPS recorded the largest amount of reported collaborative procurement, totalling \$141 million, due to a high amount of procurement under long-term agreements established by other UN organizations. This was followed by the UN Secretariat, with \$123 million, and WHO, with \$69 million.

The largest supplier country for reported collaborative procurement in 2023 was Denmark, with a supplied volume of \$117 million, followed by the United States of America, with \$65 million, and Switzerland, with \$64 million. These three countries host some of the main hubs of the UN system, and the top categories supplied from those countries are related to common operational goods and services. Similar to previous years, IT and communications equipment was the largest category, with a total procurement amount worth \$135 million. Management and administrative services became the second-largest category in 2023, reaching \$52 million and replacing Pharmaceuticals, contraceptives and vaccines. Collaboration in this segment increased by \$8.6 million, or 19.8 per cent, making it the category with the highest increase compared to 2022. Travel, food and lodging was the third-largest category, moving from sixth place, with a total procurement amount of \$50 million.

Total UN-to-UN procurement reached \$645 million in 2023. This type of procurement is often a result of UN organizations utilizing other organizations' specializations and competitive advantage for a particular type of goods or services.

Management and administrative services and Financial and insurance services remained the two largest categories of UN-to-UN procurement, recording a total of \$162 million and \$115 million, respectively. While both segments experienced a decrease compared to 2022, procurement by some organizations in these segments saw an increase

in 2023. Eleven organizations recorded increased UN-to-UN procurement of *Management and administrative services*, including an additional \$10 million by UNHCR, primarily from UNDP. Nine organizations reported increased procurement of *Financial and insurance services*, including an increase of \$875 thousand by UNDP, mostly from UNICEF and WFP. *Politics and civic affairs services* was the third-largest category of UN-to-UN procurement, with a total spend of \$81 million. This marked an increase of \$10 million compared to 2022, mostly due to WFP, which recorded \$21 million more in procurement, primarily from UNICEF and UNDP.





UNOPS remained the largest supplier organization for UN-to-UN procurement, with \$157 million worth of supplies recorded in 2023. Of the total, \$104 million was supplied in the *Financial and insurance services* category, mainly to UNHCR. UNDP was the secondlargest supplier to other UN organizations, with \$89 million, the main supplies being in *Management and administrative services*, with \$26 million, and *Politics and civic affairs services*, with \$22 million. UNDP was followed by WFP, with a volume of \$68 million, of which \$22 million was for *Transportation, storage and mail services*.

Denmark was the supplier country with the largest volume of UN-to-UN procurement in 2023 – \$154 million. The largest volumes came from UNOPS, with \$118 million, and UNICEF, with \$22 million, reflecting the fact that both organizations have procurement hubs in Denmark. Other countries with high volumes of UN-to-UN procurement were Switzerland, with a total of \$118 million, and the United States of America, with \$99 million.

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). These activities include collaboration with UN organizations on technical requirements sharing, quality assurance, joint forecasting, logistics and warehousing, manufacturer capacity assessments and joint strategic planning. UNICEF is the only organization that reports this type of collaboration. In 2023, 76 per cent of its goods procurement volume, totalling \$2.6 billion, was a result of collaboration with other UN organizations and development partners.

#### UNFPA, UNICEF AND UNHCR

# ENSURING ACCESS TO AND QUALITY OF MENSTRUAL PRODUCTS



A girl holding a reusable sanitary pad, received as part of a hygiene product kit Ethiopia © UNICEF/UN0839567/Pouget

In humanitarian emergencies, ensuring access to quality menstrual hygiene management supplies is critical to ensuring the dignity and protection of women and girls. While many organizations have been providing menstrual hygiene management supplies as part of their emergency responses, the lack of globally standardized quality specifications has led to inconsistent and often substandard products being distributed to the most vulnerable women and girls.

In response to this challenge, UNFPA, UNICEF and UNHCR partnered to establish standard technical specifications for various menstrual products such as reusable menstrual cups, disposable pads, reusable pads, and tampons. The aim was to promote the quality and consistent specifications of menstrual hygiene supplies across different organizations.

As part of the work initiated within the Menstrual Hygiene Management in Emergencies working group, UNFPA, UNHCR and UNICEF conducted in-depth research on the composition of menstrual products, cup materials, product safety, stability, health risks, quality management systems and adherence to ISO 10993 testing requirements.

As a result, globally standardized specifications have been adopted by multiple UN organizations, non-governmental organizations, governments and manufacturers worldwide. This has helped improve the quality of menstrual products sourced by these organizations and is increasing accountability to vulnerable populations.

UNFPA and UNICEF launched a joint tender for reusable menstrual cups in line with the established specifications.

The project was acknowledged by the 2023 UN Procurement Awards, winning in the collaborative procurement category.

The UN Procurement Awards is an initiative coordinated by a cross-agency project team within the HLCM-PN Professional Development working group. The awards aim to highlight achievements in procurement and supply chain management across the UN and related organizations. In 2023, two award categories were included – Sustainable Procurement and Supply, and Collaborative Procurement.

## **SUSTAINABLE PROCUREMENT**

In 2023, the reporting UN organizations remained committed to adopting sustainable procurement practices, recognizing its crucial role in fostering a better future for both people and the planet.<sup>1</sup> Environmental concerns and climate action drove organizations to advance the sustainability of their procurement strategies, given the profound impact these decisions have on society and economic development. Sustainable procurement extends beyond simply purchasing goods or services. It encompasses sourcing methods and supplier selection to drive sustainable growth and reinforce key procurement principles during implementation.

The ASR provides insights into how sustainability considerations are integrated into the procurement practices of UN organizations, based on voluntary reporting. In the 2023 report, 30 out of 32 organizations submitted information about sustainable procurement. UN Women and the International Atomic Energy Agency (IAEA) did not report on this occasion.

Key highlights of 2023 included the revision of procurement manuals and frameworks with a focus on sustainability, together with the establishment of new strategies and targets to promote a sustainable supply chain. New teams were recruited to drive sustainable

Figure 9. Progress in the adoption of sustainable procurement policy, strategy and targets, 2022-2023

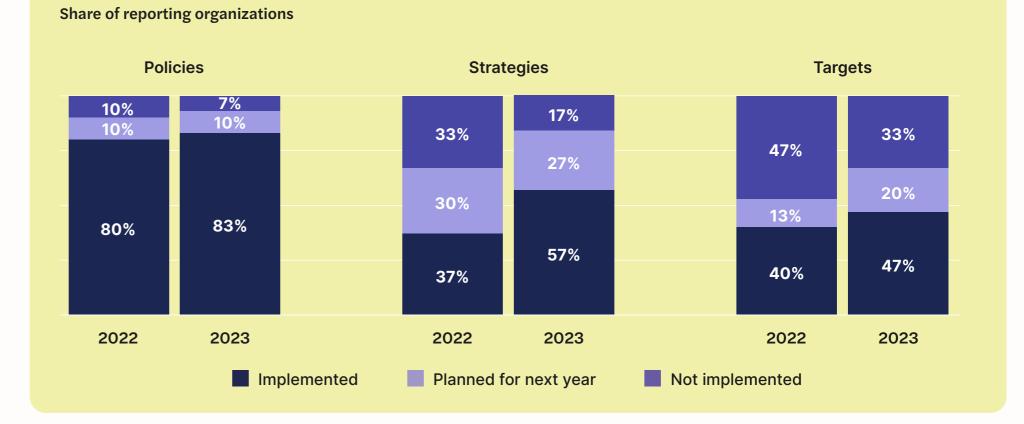
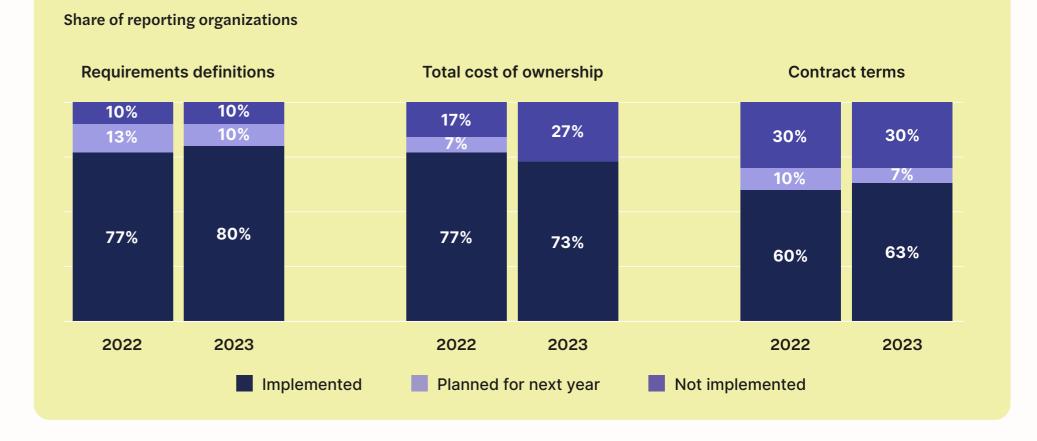


Figure 10. Progress in the integration of sustainable procurement principles into the procurement process, 2022-2023



<sup>1.</sup> Since the adoption of the Sustainable Procurement Statement by the High-Level Committee on Management Procurement Network in 2009, sustainable procurement has become increasingly prominent and important for UN organizations.

procurement, including disability-inclusive and gender-responsive procurement. Numerous projects and tenders incorporated sustainability elements, while several organizations emphasized enhanced measurement and reported using <a href="UNGM sustainable">UNGM sustainable</a> <a href="procurement indicators">procurement indicators</a>, alongside an increase in the number of sustainable tenders. Guidance and tools for sustainable procurement were enriched, including collaboration among organizations. One of the efforts highlighted by ILO was the development of online training for UN staff under the HLCM-PN's Task Force for Combating Human Trafficking and Forced Labour in Supply Chains.

UN organizations engaged in supplier initiatives and market development, including the launch, by UNOPS, of a <u>Supplier Resource Centre</u> offering resources and training materials for diverse suppliers, and the introduction by WFP of a new certification system to assess food supplier performance against sustainability standards, including tracking volume, prices and social premiums to farmer organizations.

Among notable strategic focus areas, several organizations highlighted their efforts in implementing the UN Disability Inclusion Strategy (Indicator 8), as well as extensive work under climate-related initiatives. Besides establishing new climate strategies and roadmaps, UNICEF conducted a comprehensive Scope 3 greenhouse gas baseline assessment to identify supply chain hotspots and prioritize mitigation actions, while WHO quantified carbon emissions from international shipments handled by freight forwarders under long-term agreements. The following

is a snapshot of other key trends in 2023. Detailed information can be found on the **ASR website**.

In recent years, UN organizations have made consistent efforts to formalize sustainable procurement by adopting relevant policies. By 2023, over 80 per cent of the participating UN organizations organizations (25 out of 30) reported having a formal procurement policy integrating sustainability considerations. The number of organizations with dedicated sustainable procurement strategies increased from 11 in 2022 to 17 in 2023. An additional four adopted measurable sustainability targets or planned to do so in the following year, implying a 13 per cent increase compared to the previous year. The targets included increasing the share of tenders with sustainable procurement indicators published on UNGM, contractlevel gender targets, such as the percentage of women in supervisory roles within the service contracts workforce, and corporate commitments to reduce greenhouse gas emissions.

To effectively implement policies and strategies, organizations emphasized the importance of strengthening internal capacity. In 2023, over 50 per cent of the UN organizations reported training their procurers in sustainable procurement practices in the past three years, through face-to-face sessions, self-paced e-learning courses, and virtual training, sometimes with assistance from other UN organizations. Additionally, 15 organizations reported making further investments to enhance internal sustainable procurement capacity in 2023, which showed a slight increase of 7 per cent compared to



Table 7. Status of the inclusion of sustainability considerations in procurement, 2023

Organization	Dimensions of sustainability considerations in procurement	stainability sustainability criteria siderations (i.e., environmental,		Estimated share of procurement that included sustainability criteria in requirements definitions			
		in its requirements definitions	Procurement for administrative areas (%)		Procurement for technical areas (%)		
FAO	Ø 22 🗟	Yes	No data		No data		
ICAO	Ø 22 🗟	Yes	11%-20%	$\rightarrow$	11% - 20%	$\rightarrow$	
IFAD	Ø 22 🗟	No	-		-		
ILO	Ø 22 🗟	Yes	21%-50%	<b>\</b>	21%-50%	<b>4</b>	
IMO	Ø 22 🗟	Planned for 2024	-		-		
IOM	Ø 22 🗟	Planned for 2024	-		-		
ITC	<b>8 8</b>	Yes	11%-20%	$\rightarrow$	11% - 20%	$\rightarrow$	
ITU		Yes	No data		-		
OPCW	Ø	Yes	51%-75%	<b>\</b>	51% - 75%	<b>↑</b>	
РАНО	Ø 22 🗟	Planned for 2024	-		-		
UNAIDS	<b>8</b> 8	Yes	21%-50%	$\rightarrow$	76%-100%	<b>↑</b>	
UNDP	Ø 22 🗟	Yes	6%-10%	N	6%-10%	N	
UNESCO	Ø 22 🗟	Yes	21%-50%	<b>↑</b>	21%-50%	<b>↑</b>	
UNFCCC	Ø 22 🗟	Yes	76%-100%	$\rightarrow$	76%-100%	$\rightarrow$	
UNFPA	<b>8</b> 8	Yes	No data		Not applicable		
Environmental	Social	Economic Economic					
Compared to 2022	→ Stable ↑ High	ner ↓ Lower N: New		C	ontinued on next	nage	

the previous year. Reported investments included integrating new software tools into e-procurement systems to streamline the inclusion of sustainable procurement considerations; recruiting staff to support sustainable procurement at regional and HQ levels; and providing training and expert support for personnel.

One of the essential foundations for implementing sustainable procurement is integrating sustainability criteria into the requirements definition. This ensures that procured goods, services or works have a reduced environmental impact, promote social responsibility, lead to long-term cost savings and create value for beneficiaries. Analysis showed a slight increase in the number of organizations incorporating those criteria, with 24 doing so in 2023 compared to 23 previously. Three more organizations planned to begin this practice during 2024.

There has been a steady increase in the number of organizations incorporating all three dimensions of sustainability (environmental, social and economic) into their procurement processes. In 2023, 80 per cent of the organizations (24 out of 30) achieved this, with an additional 3 including at least 2 of the dimensions. The share of organizations incorporating social considerations into their procurement processes reached a remarkable 97 per cent in 2023 – up by 7 per cent from 2022 – while economic considerations remained stable at 80 per cent. Environmental considerations, however, showed a negative trend, with a 3 per cent decrease.

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 its	in its requirements definitions	Procurement for administrative areas (%	Procurement for %) technical areas (%)	
UNHCR	Ø 22 🗟	Yes	No data	No data	
UNICEF	Ø 22 B	Yes	76% <b>-</b> 100% →	76%-100% →	
UNIDO	Ø 22 B	Yes	No data	No data	
UNOPS	Ø 22 B	Yes	51%-75% ↓	51% - 75% →	
UN Secretariat	Ø 22 B	Yes	No data	-	
UNRWA	Ø 22 B	Yes	6%-10% N	11%-20% N	
UNU	Ø 22 B	Yes	No data	Not applicable	
UNV	Ø 22 B	Yes	6%-10% ↓	6%-10% →	
UN Tourism		No	-	-	
UPU	Ø 22 B	No	-	-	
WFP	Ø 22 B	Yes	11% - 20% →	No data	
WHO		Yes	21%-50% N	11% - 20% N	
WIPO	Ø 22 B	Yes	76%-100% N	76%-100% N	
WMO	Ø 22 B	Yes	0%-5% →	0%-5% ↓	
WTO	Ø 22 Es	Yes	0%-5% →	0%-5% N	
<ul> <li>☑ Environmental</li> <li>☑ Social</li> <li>☑</li></ul>					

Among the economic considerations in procurement is the utilization of the 'total cost of ownership' method for the financial evaluation of tenders. Despite a slight decrease compared to the previous year, 73 per cent of reporting organizations still employed this method in evaluations, citing its application across various categories such as vehicles, information and communications technology equipment, and large medical devices.

To ensure that suppliers uphold commitments in line with sustainability goals and sustainable procurement criteria, in addition to applying the UN Supplier Code of Conduct and standard contract terms, reporting organizations include sustainability clauses in their contracts. The share of organizations that have included or plan to include sustainability-related content in their contract clauses remained constant, at 70 per cent, in 2023.

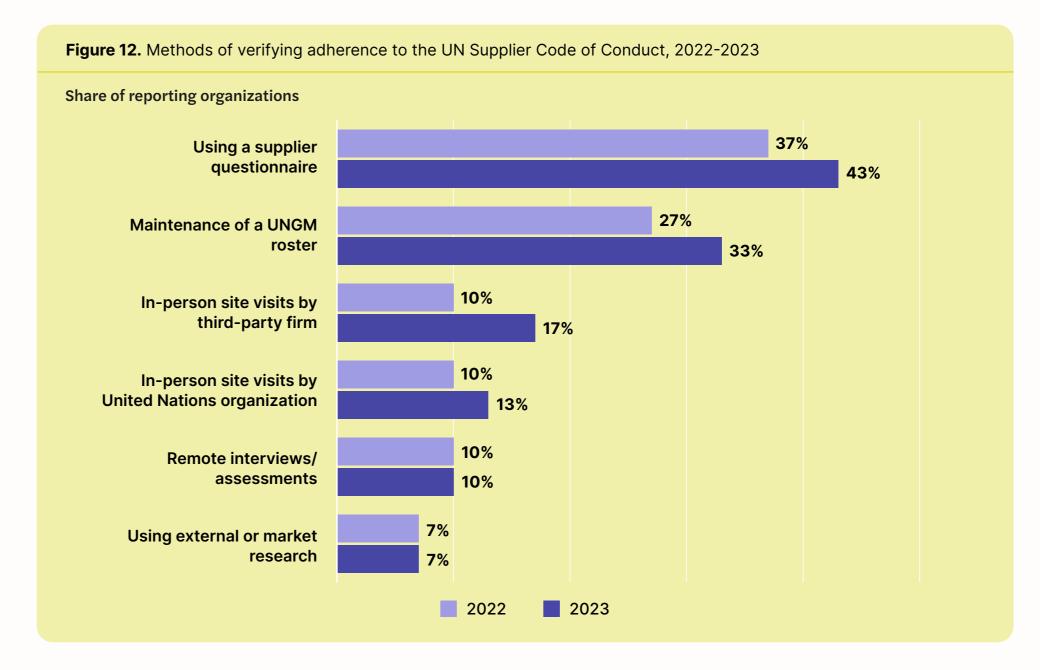
Engaging with suppliers is vital for advancing sustainability in procurement, as it helps to enhance supplier maturity, mitigate risks and foster innovation. In 2023, the share of organizations collaborating with suppliers to improve supply chain sustainability remained consistent, at 40 per cent (12 out of 30 organizations). There was, however, a notable increase in the number of organizations actively encouraging suppliers to participate in the <a href="UN Global Compact">UN Global Compact</a> initiative.

Verifying adherence to the UN Supplier Code of Conduct is another means of supplier interaction. Despite a slight decrease compared to the previous year, over half of the reporting organizations verified suppliers' compliance with the Code of Conduct in 2023. The primary methods of verification included supplier questionnaires, maintaining the UNGM roster, and conducting site visits, carried out by either the organization or a third party.

Looking ahead, the UN organizations were committed to further strengthening their collaborative efforts to

advance the Sustainable Development Goals in 2024. These would include reducing their environmental impact, supporting social good and ensuring economic efficiency. They plan to achieve this by establishing new strategies and targets, conducting staff training, incorporating sustainability criteria into purchasing decisions, developing new tools and resources, mainstreaming human rights due diligence and increasing the participation of diverse businesses.

Figure 11. Status of supplier engagement, 2022-2023 **Share of reporting organizations** 67% 63% 57% 53% 40% 40% Verification Collaboration **Encouragement** to participate of adherence with suppliers to the United to enhance the in the United **Nations Global Nations Supplier** sustainability of **Code of Conduct** the supply chain Compact 2022 2023



### **UNHCR**

## **ENVIRONMENTALLY FRIENDLY** SUPPLIES FOR EMERGENCY SUPPORT



UNHCR partner Proliska distributing emergency shelter and essential items in Dnipro Ukraine © UNHCR/Proliska

UNHCR is working to improve the sustainability of its end-to-end supply chain in line with its commitment to reducing carbon dioxide emissions and increasing the recycled plastic content of core relief items by 20 per cent by 2025. This includes changing the material composition of products; considering social and economic factors in sourcing; and expanding the supplier base to procure goods and services closer to the point of delivery. The organization is integrating new sustainability measures across the life cycle of its products, including with respect to inventory management, transportation and waste handling.

To minimize the environmental impact of its material assistance, UNHCR has developed environmentally friendly product specifications for seven essential relief items, including blankets, sleeping mats, jerrycans and kitchen sets.

Following a pilot procurement process in the Asia and Pacific region in 2023, UNHCR procured 253,800 blankets made from 100 per cent post-consumer recycled polyester to ensure warm, safe and dignified living conditions for displaced families in Ukraine.

Under the new specifications, each thermal blanket is made of 200 plastic bottles. By using post-consumer recycled plastic instead of virgin plastic, UNHCR reduced its carbon dioxide emissions by an estimated 3,900 tonnes equivalent to a 57 per cent reduction – for this intervention.

In 2023, UNHCR procured \$11 million worth of blankets in support of ongoing emergencies.

→ More details

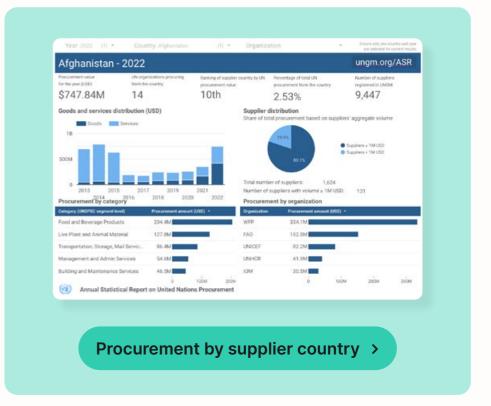


## **FIND OUT MORE**

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 2023 are available on the UNGM website.













## **METHODOLOGY**

### **PARTICIPANTS**

In 2023, a total of 32 UN organizations participated in the ASR. Throughout this report, references to 'procurement by the UN system' or 'by UN organizations' encompass the procurement activities of those 32 organizations. A list of the participating organizations for this reporting period is provided in Table 8.

The organizations reporting in 2023 were the same as in 2022. However, in the 2022 report, ITC was included as part of the UN Secretariat. For the 2023 report, data from the ITC is reported separately.

### 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) 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.

### Table 8. Participating organizations, 2023

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
ІОМ	International Organization for Migration
ITC	International Trade Centre
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

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 the National Implementation Modality (NIM) – a distinct activity of UNDP - in its own procurement data (you can find more information about this on the UNDP website). However, NIM is not included in the organization'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. UNOPS then 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.

**Table 8.** Continued from previous page

UNICEF	United Nations Children's Fund	
UNIDO	United Nations Industrial Development Organization	
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	
UN Tourism	United Nations Tourism	
UPU	Universal Postal Union	
WFP	World Food Programme	
wно	World Health Organization	
WIPO	World Intellectual Property Organization	
WMO	World Meteorological Organization	
WTO	World Trade Organization	

# Appendix

### 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 = 0.925 EUR
- 1.00 USD = 0.9 CHF

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 the 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 multisector standard for the 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.

There was a continued improvement in the ability to specify UNSPSC categories for the reporting organizations in 2023. In some limited cases, organizations are unable to provide information about the categorization of goods and services procured, in which case this data is reported as 'unspecified goods' and 'unspecified services'. The amount of data reported against unspecified categories totalled \$21 million, or less than 0.1 per cent of the total procurement amount. 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 subcategory.

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 Transportation and Storage and the Travel, Accommodation and Catering Services sectors, 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 Motor Vehicles, Industrial Machinery and Heavy Equipment, and Transportation and Storage.

• The Apparel, luggage and personal care segment is split between Health and Other Goods and Services.

More information about the categorizations 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, data is reported under 'unspecified countries'.

In 2023, the supplier countries were specified for 99.91 per cent of the total UN procurement. Of the total procurement from unspecified countries, 99.99 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 for which 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'.

For analysis based on supplier names, adjustments have been made to only include data for which 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 wherein 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 to the following activities being defined as supply chain management collaboration (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 about supply chain management collaboration is submitted separately by reporting organizations. No data on supply chain management collaboration was submitted for 2023.

### 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.

Since 2022, the achievements of specific organizations have been published in addition to aggregated data.

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="https://www.ungm.org/asr">www.ungm.org/asr</a> and <a href="https://www.unops.org">www.unops.org</a>.

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