



Conference of the States Parties to the United Nations Convention against Corruption

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Addendum

VI. Financial and budgetary matters

1. The secretariat provided information on the expenditures incurred for the operation of the first and second cycles of the Review Mechanism as at 28 February 2017, on projected expenditures for the completion of the first cycle, and on projected expenditures for the operation of the first two years of the second cycle. The secretariat also provided details on the resources received from both the regular budget of the United Nations and voluntary contributions, and gave information about the existing cost-saving measures.

2. Expressing its appreciation for the voluntary contributions and the pledges made by States to support the Mechanism, the secretariat drew attention to the funding gap between the voluntary contributions received and the required extrabudgetary resources for the functioning of the Mechanism. The secretariat informed the Group that, whereas voluntary contributions covered the expenditures incurred and those anticipated for the first cycle of the Review Mechanism on the assumption that the first cycle would be completed by the end of 2017, there was a significant funding gap of 3,167,400 United States dollars in relation to the operation of the first two years of the second cycle. The secretariat further noted that by taking into account the expenditures since 1 March 2017 in support of implementing the second cycle, the total second cycle expenditures amounted to 1.26 million United States dollars, resulting in a second cycle cash balance of 1.18 million United States dollars. The secretariat concluded that despite the improvement of the cash balance since November 2016, the risk persisted that the funding situation would eventually put on hold the operation of the Review Mechanism since the implementation of the second cycle had gained significant momentum. The secretariat also informed the group that in the current situation, it would not be in a position to finance the participation of LDC representatives in the seventh session of the Conference of States Parties and in the resumed eighth session of the Implementation Review Group.

3. Given the overall financial situation, the secretariat provided details on the cost-cutting measures that it had implemented since the related discussion at the 7th resumed session of the group: (a) limiting the provision of funding to only one participant per reviewing country from LDCs, low-income and lower middle-income countries, where requested; (b) requesting all high-income and upper



middle-income countries to fund their own participation in the training of governmental experts and in the country visits; (c) encouraging the same group of countries to directly fund travel costs and accommodation for the participation of visiting governmental experts from low-income and lower middle-income countries and LDCs to their own country visits; (d) encouraging all countries to arrange for the translations of working documents and provide interpretation during country visits as in-kind contributions; (e) requesting all countries to limit the responses to the self-assessment checklist to the information essential to conduct the review and avoid the provision of duplicative and unrelated information; and (f) encouraging all countries to make every effort to limit the languages of the review to a maximum of two per review. The secretariat expressed its hope that these measures would show the desired results, without impacting on the quality of the Review Mechanism. The secretariat also stated it would only be able to offer funding to LDCs to participate in one session of the Implementation Review Group per year, if the current funding trend persisted.

4. The secretariat informed the group that, as requested by the Conference in resolution 6/1, it had taken the shortfall in support of the second cycle into account in UNODC's submission of the proposed programme budget for the biennium 2018-2019, in accordance with section VII of the terms of reference. The secretariat further explained that pending a decision by the competent bodies and the General Assembly on the programme budget for the coming biennium, it retained the current estimates on the requirements for the second review cycle and in calculating the funding shortfall.

5. The Chair echoed the secretariat's concerns and cautioned that further cost-cutting measures could, *inter alia*, have a detrimental impact on the ability of developing countries to fully participate in the implementation review process.

6. Several speakers added their concerns with regard to the financial situation of the Mechanism, while expressing their strong support to the Review Mechanism. In this context, several speakers listed their countries' past, recent and forthcoming voluntary contributions to the Review Mechanism.

7. Speakers welcomed the secretariat's transparent and comprehensive financial reporting and expressed their support for the cost-cutting measures taken by the secretariat. Some speakers called for an open-minded review of the costs of the Mechanism and the way of operating it, which should include creative ways to streamline the work carried out under the Review Mechanism and increase its cost-efficiency. Some speakers highlighted the negative impact of multilingual reviews with respect to the costs and effectiveness of the Mechanism and urged States parties to limit the languages of the reviews to the degree possible and demonstrate flexibility if requested to work in a language other than their own official language. Other speakers cautioned against any measures that would negatively impact on the quality of the country reviews and pointed out that cost-saving measures should only be voluntary. One speaker proposed to reduce the number of IRG meetings to one per year and increase the duration of the second review cycle, so as to have more time to cope with the workload.

8. In response to a speaker's concern about the increasing costs of the Mechanism, the secretariat clarified that the increase in required resources for operating the Mechanism was to a large extent due to the increase of countries that had ratified or acceded to the Convention since the launch of the Mechanism in 2010, from 144 to 181 States parties. He further recalled the detailed outline of factors that had contributed to increasing the overall workload as described in the Note by the Secretariat, entitled "Projected costs for the functioning of the second cycle of the Mechanism for the Review of Implementation of the United Nations Convention against Corruption", which was part of the "Report of the Conference of the States Parties to the United Nations Convention against Corruption on its sixth session, held in St. Petersburg, Russian Federation, from 2 to 6 November 2015" ([CAC/COSP/2015/10](#)).

9. Several speakers reiterated their commitment to the mixed funding model of the Mechanism, as well as to the terms of reference of the Mechanism and the relevant decisions made by the Conference of the States Parties. The secretariat ensured the group that it would continue exploring the full range of options for operating the Mechanism in an effective and cost-efficient manner, within the framework of the terms of reference.
