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Policy directives to the drug programme of the United Nations Office on Drugs and Crime and strengthening the drug programme and the role of the Commission on Narcotic Drugs as its governing body, including administrative, budgetary and strategic management questions: role of the Commission as the governing body of the drug programme of the United Nations Office on Drugs and Crime; administrative, budgetary and strategic management questions

Commission on Crime Prevention and Criminal Justice

Twenty-second session

Vienna, 22-26 April 2013

Item 3 (b) of the provisional agenda**

Strategic management, budgetary and administrative questions: directives on policy and budgetary issues for the United Nations crime prevention and criminal justice programme

Implementation of the consolidated budget for the biennium 2012-2013 for the United Nations Office on Drugs and Crime

Report of the Executive Director

Summary

The present report identifies adjustments to the consolidated budget for the biennium 2012-2013 for the United Nations Office on Drugs and Crime (E/CN.7/2011/16-E/CN.15/2011/22) as a result of revised requirements and changes in costing parameters assumed at the time of preparation of the consolidated budget.

For the Fund of the United Nations International Drug Control Programme, Member States are requested to approve revised estimates for general-purpose funds totalling at least \$12,607,100, reflecting a decrease of \$41,200 vis-à-vis the amount approved by the Commission on Narcotic Drugs in its resolution 54/16. Member States are also requested to endorse revised estimates for programme support cost funds totalling \$17,457,300 and for special-purpose funds totalling \$244,092,200.

* E/CN.7/2013/1.

** E/CN.15/2013/1.



For the United Nations Crime Prevention and Criminal Justice Fund, Member States are requested to approve revised estimates for general-purpose funds totalling at least \$8,630,700, reflecting an increase of \$151,200 vis-à-vis the amount approved by the Commission on Crime Prevention and Criminal Justice in its resolution 20/8. Member States are also requested to endorse revised estimates for programme support cost funds totalling \$20,533,600 and for special-purpose funds totalling \$230,395,900.

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I. Introduction

1. The Commission on Narcotic Drugs, at its reconvened fifty-fourth session, adopted resolution 54/16, entitled “Budget for the biennium 2012-2013 for the Fund of the United Nations International Drug Control Programme”, in which it approved the projected use of general-purpose funds in the biennium 2012-2013 for the Fund of the United Nations International Drug Control Programme. The Commission on Crime Prevention and Criminal Justice, at its reconvened twentieth session, adopted resolution 20/8, entitled “Budget for the biennium 2012-2013 for the United Nations Crime Prevention and Criminal Justice Fund”, in which it approved the projected use of general-purpose funds in the biennium 2012-2013 for the United Nations Crime Prevention and Criminal Justice Fund.

2. In accordance with General Assembly resolutions 46/185 C of 20 December 1991 and 61/252, section XI, of 22 December 2006, the budget of the programme of the Funds (general-purpose funds) is presented to the Commissions for approval. The budgets for special-purpose funds and the related administrative and programme support cost budget (programme support cost funds) are presented to the Commissions for endorsement.

3. General-purpose funds are unearmarked voluntary contributions that are provided to finance executive direction and management, programme and programme support components of the biennial budget. Special-purpose funds are earmarked voluntary contributions that are provided to finance technical cooperation and other substantive activities at headquarters (Vienna) and in the field. Programme support costs are the indirect costs recovered in support of activities financed from voluntary contributions and are used to finance central administration, and programme management functions at headquarters and in the field offices. In June 2012, the United Nations Controller promulgated revised policies on cost recovery and programme support costs, which foresee a strict adherence to the 13-per-cent programme support cost rate and restricts the use of programme support cost to headquarters support functions and corporate initiatives. The United Nations Office on Drugs and Crime (UNODC) is reviewing the impact of the revised policies within the context of its fundraising strategy and full direct costing.

4. The primary purpose of the present report is to inform Member States about revised estimates for the biennium 2012-2013 and explain any major deviations from the approved budget. Information is provided on adjustments to the consolidated budget resulting from changes in standard salary costs and other requirements. An overview of the revised estimates for the biennium 2012-2013 is presented in table 1.

5. Information on performance by region is provided in annex I. Information on programme performance by theme is not included in the present report, as it is presented in the report of the Executive Director on the activities of the United Nations Office on Drugs and Crime (E/CN.7/2013/3-E/CN.15/2013/3).

6. The present report does not provide information on the adjustments to the funding of UNODC from the regular budget of the United Nations, as that information was presented in the first performance report on the programme budget

for the biennium 2012-2013 (A/67/592) and revised appropriations were approved by the General Assembly in its resolution 67/247.

II. Overview of the financial situation of the United Nations Office on Drugs and Crime

Table 1

Summary revised estimates for income, expenditure and net adjustments for the biennium 2012-2013

(Millions of United States dollars)

	<i>General-purpose funds</i>	<i>Programme support cost funds for UNODC</i>	<i>Special-purpose funds</i>
Fund balance at biennium start	14.2	17.2	314.3
A. Income ^{a, b} (<i>see table 4</i>)	20.2	43.3	535.0
B. Expenditure (<i>see table 2</i>)	(21.2)	(38.0)	(474.5)
Excess (shortfall) (A+B)	(1.0)	5.3	60.5
Net adjustments ^c (<i>see table 4</i>)	(1.6)	(2.7)	–
Fund balances at biennium end	11.6	19.8	374.8

^a For special-purpose funds, the total income of \$581.0 million is adjusted by the programme support cost income for UNODC (\$45.1 million) net of the programme support paid to implementing partners (\$2.0 million). It is also adjusted by the programme support cost income for the United Nations Interregional Crime and Justice Research Institute (\$2.9 million).

^b In this table, the programme support cost fund income does not include the programme support costs income earned by the United Nations Interregional Crime and Justice Research Institute (\$2.9 million) as the programme support cost budget of the Institute is considered under a separate process.

^c In this table, net adjustments for after-service health insurance and end-of-service liabilities do not include the portion for the United Nations Interregional Crime and Justice Research Institute (\$0.4 million).

7. The mid-biennium income projections highlight an extraordinary increase of \$107.0 million of earmarked funds, allowing special-purpose income to reach \$535.0 million. Programme delivery is also expected to increase by \$55.9 million from initial projections. These trends point to strong donor confidence on the programmatic direction of UNODC and to a UNODC that is improving its capacity to respond to the challenges of programme delivery.

8. Programme support cost income, a derivative of programme execution, also shows a healthy trend. Corresponding recosted expenditures are marginally increased to reflect additional requirements while maintaining an adequate level of reserves.

9. On the contrary, unearmarked income continues to decline against escalating salary costs, raising the prospect of a first ever shortfall of income against expenditure of \$1.0 million in a biennium. Against a background of narrowing fundraising options for unearmarked funds, undoubtedly the shortfall would put an immense stress on key management functions and further impair the ability of UNODC to fund immediate programmatic shortfalls. UNODC is actively approaching donors to bridge the funding gap.

10. In response to the negative mid-term results with respect to general-purpose funds, UNODC has taken decisive cost-containment measures (amounting to \$1.9 million) such as restricting the use of vacant posts, withholding the redeployment of 2012 savings, freezing recruitment, withholding approved reclassifications of posts, rationalizing support costs and keeping foreign currency exposure to a minimum. In addition, UNODC adopted a new policy on after-service health insurance that further relieves general-purpose funds by requiring all funding sources to bear the cost of after-service health insurance commitments.

11. Against the background of continuing pressure on regular budget income and within the context of the fundraising strategy, UNODC is refining its costing practices with the aim of implementing full direct costing in line with the United Nations Controller's revised policies on cost recovery and programme support costs. Other measures such as further specifying the functions to be funded from general-purpose funds and implementing sustainable general-purpose income practices are also being explored with a view to maintaining the ability of general-purpose funds to support key management functions and fund programmatic shortfalls.

III. Revised estimates for the biennium 2012-2013

12. The revised estimates for all sources of funding by the main determining factor, and the implementation in 2012 are presented in table 2. Changes to posts requirements are presented in table 3.

Table 2
Revised expenditure estimates and implementation in 2012
(Millions of United States dollars)

	<i>Approved budget, 2012-2013</i>	<i>Adjustment of costing factors^a</i>	<i>Recosted budget, 2012-2013</i>	<i>General-purpose-fund saving measures</i>	<i>Other changes</i>	<i>Revised estimates, 2012-2013</i>	<i>Expenditure projections, 2012</i>	<i>Implementation rate (per cent)</i>
A. General-purpose funds								
Post	19.2	1.9	21.1	(1.4)	—	19.7	9.2	46.4
Non-post	1.9	0.1	2.0	(0.5)	—	1.5	0.9	59.1
Subtotal	21.1	2.0	23.1	(1.9)	—	21.2	10.1	47.3
B. Programme support cost funds								
Post	28.5	1.4	29.9	—	0.4	30.3	12.3	40.6
Non-post	7.3	—	7.3	0.5	—	7.7	4.0	52.6
Subtotal	35.8	1.4	37.2	0.5	0.4	38.0	16.3	43.0
C. Special-purpose funds								
Drug programme fund	214.4	—	214.4	—	29.6	244.1	112.0	45.8
Crime programme fund ^b	204.1	—	204.1	—	26.3	230.4	108.3	47.0
Subtotal	418.5	—	418.5	—	55.9	474.5	220.2	46.4
D. Regular budget^c	84.8	(0.7)	84.1	—	—	84.1	45.5	50.5
Total	560.2	2.6	562.8	(1.4)	56.3	617.8	289.0	46.8

^a Including adjustments for exchange rate, inflation, adjustment to standard costs and vacancy rates.

^b Including the sub-fund for the United Nations Interregional Crime and Justice Research Institute.

^c Including regular budget resources contained in sections 1, 16, 23 and 29F of the programme budget for 2012-2013. Changes to the regular budget were presented to the General Assembly (A/67/592) and are not detailed in the present report.

Table 3
Changes to posts requirements

	<i>Approved budget, 2012-2013</i>	<i>Changes</i>	<i>Revised budget, 2012-2013</i>
A. General-purpose funds			
Professional and above	39	—	39
General Service	20	—	20
Subtotal	59	—	59
B. Programme support cost funds			
Professional and above	37	1	38
General Service	57	2	59
Other categories ^a	90	—	90
Subtotal	184	3	187
C. Special-purpose funds^{b, c}			
Professional and above	188	12	200

	<i>Approved budget, 2012-2013</i>	<i>Changes</i>	<i>Revised budget, 2012-2013</i>
General Service	39	23	62
Other categories ^a	950	276	1 226
Subtotal	1 177	311	1 488
Total	1 420	314	1 734

^a Includes national officers, local levels and service contracts positions of variable duration in the field administered on behalf of UNODC by the United Nations Development Programme.

^b Includes all posts funded from special-purpose funds as of November 2011 (approved budget) and as of December 2012 (revised budget). Many of these posts are of a temporary nature. Their number and level are subject to frequent changes.

^c Including the sub-fund for the United Nations Interregional Crime and Justice Research Institute.

A. Adjustment of costing factors

13. In preparing the consolidated budget for the biennium 2012-2013, UNODC drew upon the methodology applied to the determination of regular budget requirements. Assumptions with respect to post costs, inflation and rate of exchange were projected using the same standard salary cost schedule of 2012-2013 used in the preparation of the proposed programme budget of the United Nations. That schedule foresaw, for example, an exchange rate of 0.753 euros to the United States dollar and a 1.7-per-cent annual rate of inflation for 2012 and a 1.8-per-cent annual rate of inflation for 2013. Following a review of vacancy statistics, the consolidated budget for the biennium 2012-2013 used a vacancy rate of 3 per cent for the Professional category and 0 per cent for the General Service and related categories. Non-post requirements were presented using 2010-2011 rates. In December 2012, the General Assembly approved revised standard salary costs, a revised rate of exchange of 0.779 euros to the United States dollar and revised rates of inflation applicable to non-post objects of expenditure of 2.2 per cent for 2012 and 2.3 per cent for 2013.

14. In the present report, post costs are projected using the standard salary cost, inflation and exchange rate assumptions for the biennium 2012-2013 as approved by the General Assembly for the programme budget for the biennium 2012-2013.

15. In addition, starting in 2013, the revised standards include a provision of 6 per cent of staff costs for a new reserve for after-service health insurance to cover future cash commitments for after-service health insurance to eligible staff members upon retirement. The level of the provision is based on actuarial valuations of the present value of the future commitments for after-service health insurance, and is intended to collect, in a timely fashion, those commitments from the funding source (general-purpose, special-purpose or programme support costs) that funds the staff members in service. Up to 2012, future after-service health insurance commitments were assumed by accumulated fund balances of general-purpose and programme support cost funds. The matter is further addressed in section III.C (Revised income projections and adjustments to fund balances).

16. The recosting of post costs results in an increase of \$3.3 million; the largest share of it (\$1.4 million) results from the review of post adjustment multipliers and common staff cost rates in field offices.

B. Implementation in 2012, savings measures and other changes

General-purpose funds

17. Under the 2012-2013 revised estimates as indicated in table 2, general-purpose funds provide for core elements of the executive direction and management of UNODC (\$1.7 million), the New York Liaison Office (\$1.2 million), field office representatives and deputy representatives (\$10.8 million) and the post of director of the Division for Operations (\$0.5 million). General-purpose funds also provide for programmes at UNODC headquarters (Vienna), including research and trend analysis (\$3.6 million), criminal justice reform (\$0.9 million), organized crime and illicit trafficking (\$0.4 million) and health (\$0.3 million). A fraction of general-purpose funds also finance costs related to the UNODC Programme and Financial Information Management System (ProFI) (\$1.3 million), shared support services (\$0.1 million), the Board of Auditors and the Office of Internal Oversight Services (\$0.4 million). Close to 50 per cent of general-purpose funds is being spent in the field supporting field and deputy field representative positions. As reflected in table 2, 47.3 per cent of the general-purpose budget for the biennium 2012-2013 will be implemented in 2012.

18. Faced with escalating costs due to recosting factors (\$2 million) and with a strong prospect of a net shortfall of income compared with expenditures by the biennium's end, UNODC has introduced hard savings measures to contain general-purpose expenditures. The measures, summarized under column "General-purpose fund savings measures" in table 2, amounting to \$1.9 million, are as follows:

(a) Savings of \$1.0 million from vacant posts realized in 2012 are not made available to programme managers;

(b) A recruitment freeze, to the maximum extent possible, has been put in effect commencing 2013 and approved reclassification of posts have been withheld. Estimated savings amount to \$0.4 million;

(c) Audit fees of \$0.5 million that would clearly qualify as overarching programme support activities under the United Nations Controller's revised policies for programme support costs promulgated by the United Nations Controller have been reallocated to the programme support budget.

19. UNODC will continue to closely scrutinize expenditures throughout 2013 in an effort to further contain costs. However, there is no doubt that the measures outlined above would put a further strain on corporate resources and the management of programme delivery.

Programme support cost funds

20. Under the revised estimates for 2012-2013 as indicated in table 2, programme support cost funds will finance the Office of the Executive Director and the

Independent Evaluation Unit (\$0.6 million), the Division for Treaty Affairs (\$0.6 million), the Division for Policy Analysis and Public Affairs (\$3.5 million), the Integrated Programme and Oversight Branch (\$9.4 million), field offices' cost-sharing of local staff and local office costs (\$9.7 million) and programme support functions in the Division for Management (\$14.2 million). As indicated in table 2, 43.0 per cent of the programme support cost budget for the biennium will be implemented in 2012, mainly as a result of delays in recruitment. Realized savings are used to strengthen temporary positions in the Office of the Executive Director, the Division for Operations, and the Co-Financing and Partnership Section, and to cover peak period requirements in the Division for Management.

21. The present report, as reflected in the column in table 2 entitled "Other changes", also includes the proposal to establish an external party engagement unit (one P-4 post and two General Service (Other level) posts) to strengthen controls and improve and monitor the processes of engaging with implementing partners such as Governments, civil society organizations, non-governmental organizations (NGOs) and other United Nations bodies (\$0.4 million). With this unit, UNODC aims to increase transparency and timeliness in the selection of implementing partners, strengthen contractual arrangements, expedite implementation and improve on third-party reporting.

22. While the Controller has promulgated revised policies on the use of programme support cost revenue, restricting them to indirect central administration, and programme/departmental administration, other internal and externally provided services and programme/departmental programme services, UNODC will maintain its existing practices throughout the biennium 2012-2013. With the exception of the absorption of \$0.5 million of audit fees previously budgeted under general-purpose funds, UNODC takes advantage of phase-in provisions of the revised policies and will introduce the policies during the 2014-2015 biennium and within the context of its fundraising strategy. Accordingly, proposals on revised programme support cost arrangements will be presented in the consolidated budget for the biennium 2014-2015. In addition to restricting the use of programme support cost funds to overarching headquarters support functions, these proposals would include resources required to support the United Nations Secretariat-wide initiatives of the Umoja enterprise resource planning project and the International Public Sector Accounting Standards (IPSAS) to be implemented at UNODC in the period 2014-2015.

23. UNODC continuously monitors expenditures under programme support cost funds in 2013. Part of the savings in 2012 may be used in 2013 to provide for unforeseen requirements and to prepare for transition to Umoja and IPSAS-led business processes.

Special-purpose funds

24. The special-purpose funds delivery is expected to increase by \$55.9 million (13.4 per cent) from the level projected in the consolidated budget. The increase results from projected growth of global programmes, West and Central Asia programmes and Latin America and the Caribbean programmes (projected to reach \$149.8 million, \$81.5 million and \$112.7 million respectively in 2012-2013). These increases also compensate for the delayed implementation of new projects and lower than anticipated delivery in Africa and the Middle East (projected to reach

\$97.2 million in the period 2012-2013) and the decline of activities in Central Eastern Europe (projected to reach \$2.5 million in the period 2012-2013). The distribution of the project portfolio also reflects the growth of the health and livelihoods programmes from the level projected in the consolidated budget.

25. It is anticipated that 46.4 per cent of the budget for special-purpose funds for the biennium 2012-2013 will be implemented in 2012. The implementation rate already reaches 46.9 per cent for global programmes, 43.4 per cent for Latin America and the Caribbean, 52.5 per cent for West and Central Asia, and 55.1 per cent for East Asia, South Asia and the Pacific. For Africa and the Middle East, the 2012 implementation rate of 40.2 per cent is expected to be increased in 2013. For Central, Eastern and South-Eastern Europe, the 2012 implementation rate of 90.4 per cent reflects a significant decline in the activities planned for the region in 2013.

26. Figures I and II below provide a breakdown by theme and by region of the allocation of special-purpose funds in 2012-2013. More information on allocation by theme and region is provided in annex I.

Figure I

Allocation of special-purpose funds in the revised budget for 2012-2013, by theme

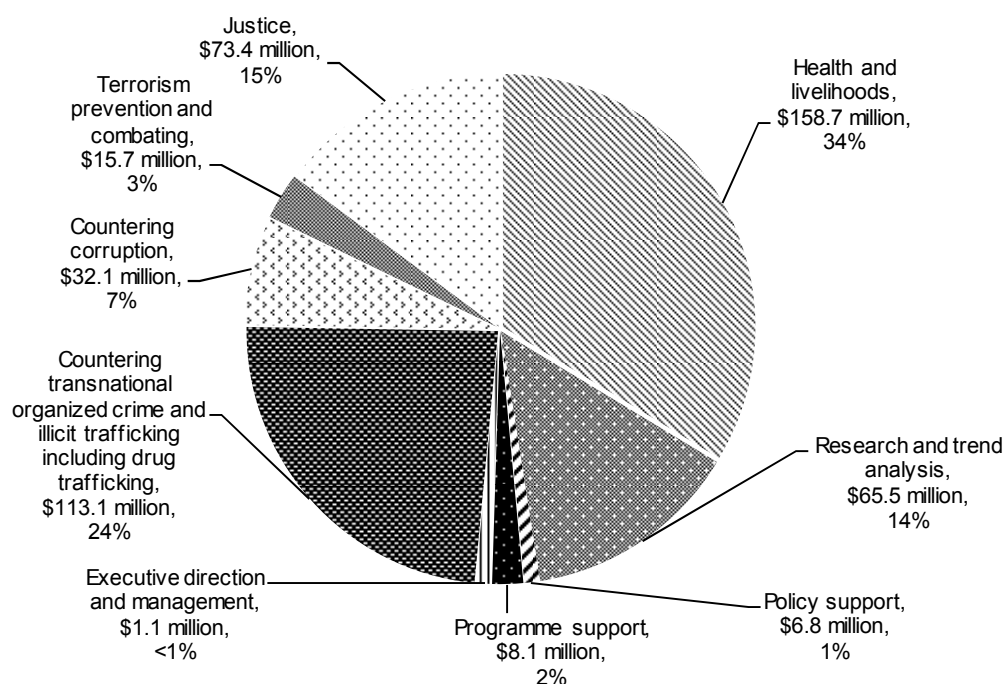
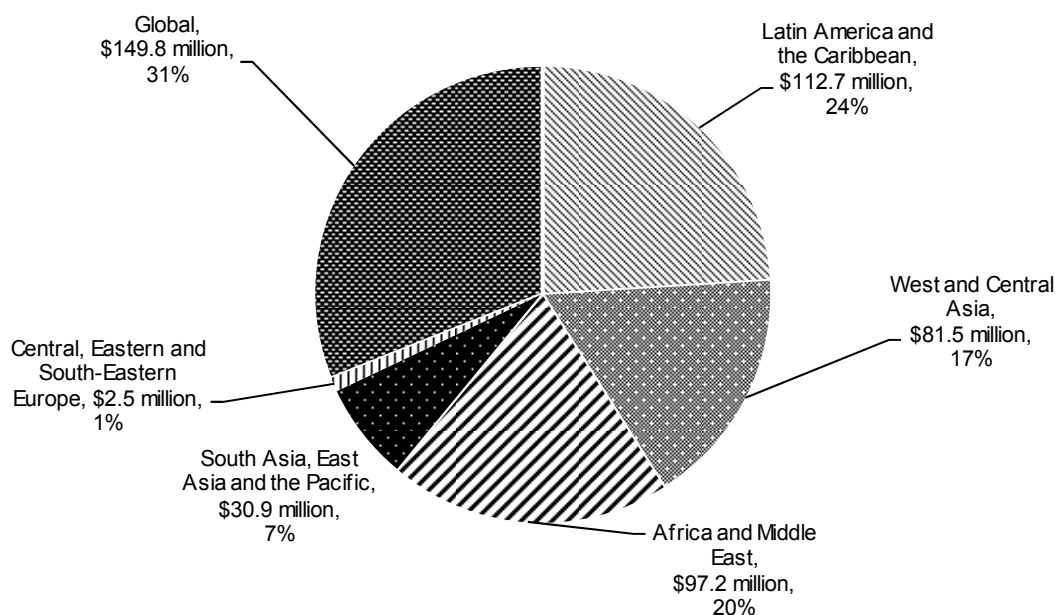


Figure II
Allocation of special-purpose funds in the revised budget for 2012-2013, by region



C. Revised income projections and adjustments to fund balances

General-purpose funds

27. The initial budget for the biennium 2012-2013 for UNODC aimed at a level of general-purpose expenditure that was less than the anticipated level of general-purpose income, with the purpose of maintaining the level of the budget and, at the same time, maintaining the level of the reserves in the fund. Table 4 shows that the revised level of general-purpose income is anticipated to be \$1.3 million lower than anticipated in the consolidated budget. The decrease in the income of the general-purpose funds is mainly due to the decrease of interest and miscellaneous income now estimated at \$1.4 million compared to \$3.3 million in the consolidated budget. The interest income decrease is attributed to the declining balance of general-purpose funds and the persistently low market interest yields.

Table 4
Revised estimates for the biennium 2012-2013
(Millions of United States dollars)

	<i>General-purpose funds</i>		<i>Programme support cost funds for UNODC</i>		<i>Special-purpose funds</i>	
	<i>Approved budget</i>	<i>Revised estimates</i>	<i>Approved budget</i>	<i>Revised estimates</i>	<i>Approved budget</i>	<i>Revised estimates</i>
Fund balance at biennium's start	14.2	14.2	17.2	17.2	314.3	314.3
A. Income ^{a, b}	21.5	20.2	36.6	43.3	428.0	535.0

	<i>General-purpose funds</i>		<i>Programme support cost funds for UNODC</i>		<i>Special-purpose funds</i>	
	<i>Approved budget</i>	<i>Revised estimates</i>	<i>Approved budget</i>	<i>Revised estimates</i>	<i>Approved budget</i>	<i>Revised estimates</i>
B. Expenditure	(21.1)	(21.2)	(35.8)	(38.0)	(418.5)	(474.5)
Excess (shortfall) (A+B)	0.4	(1.0)	0.8	5.3	9.5	60.5
Net adjustments ^c	–	(1.6)	–	(2.7)	–	–
Fund balances at biennium end	14.6	11.6	18.0	19.8	323.8	374.8

^a For special-purpose funds, the total income of \$581.0 million is adjusted by the programme support cost income for UNODC (\$45.1 million) net of the programme support paid to implementing partners (\$2.0 million). It is also adjusted by the programme support cost income for the United Nations Interregional Crime and Justice Research Institute (\$2.9 million).

^b In this table, the programme support cost fund income does not include the programme support cost income earned by the United Nations Interregional Crime and Justice Research Institute (\$2.9 million) as the programme support cost budget of the Institute is considered under a separate process.

^c In this table, net adjustments for after-service health insurance and end-of-service liabilities does not include the portion for the United Nations Interregional Crime and Justice Research Institute (\$0.4 million).

28. In 2012, through its fundraising strategy document, UNODC presented various proposals aimed at achieving sustainable income flows for the general-purpose fund. The strategy also addressed the need to closely define the use of the general-purpose funds within the context of management and infrastructure functions and to strengthen the ability to fund high priority programme funding shortfalls. Discussions to further clarify what constitute “core functions” are taking place within the context of the standing open-ended intergovernmental working group on improving the governance and financial situation of the United Nations Office on Drugs and Crime. The outcome of the discussions would be presented to the Commissions for consideration at their reconvened sessions in December 2013 and could impact on the future state of general-purpose budget.

29. Nevertheless, table 4 highlights alarmingly that for the first time in the history of UNODC the projected general-purpose income of the biennium will less than cover corresponding expenditure levels. Further, the general-purpose’s potential to support programme shortfalls has disappeared.

30. In addition to cost containment measures described within the present report, UNODC is actively approaching donors to raise additional funding to bridge the \$1.0 million gap. In a worst case scenario where the general-purpose funding prospects decline even further, the adoption of emergency measures similar to the ones taken during the 2009 financial crisis would be warranted.

Programme support cost funds

31. Due to higher than anticipated programme implementation, programme support cost income for UNODC is expected to increase to \$43.3 million, or \$6.8 million above the initially budgeted level of \$36.5 million. Expenditure requirements against programme support cost resources are projected to increase to \$38.0 million (see table 2), or \$2.2 million above the budgeted level of

\$35.8 million. This would translate into a projected income excess of \$5.3 million for the biennium.

32. It is highlighted that the final programme support cost income level will depend greatly on the actual level of programme implementation. Owing to this underlying uncertainty, the need to maintain an adequate level of reserves and the shortfall projections in general-purpose funds, UNODC takes a prudent position to contain its programme support cost funds budget estimates to the levels described in section III.B, and in table 2. The true level of programme support cost income will be better assessed towards the end of 2013 and will form part of the assumptions for the budget of the next biennium.

Special-purpose funds

33. Special-purpose income is anticipated to reach \$581.0 million (\$535.0 million net of programme support), which is \$115.2 million higher than anticipated in the consolidated budget, mainly as a result of higher than anticipated cost-sharing contributions (Colombia, Brazil and Mexico), contributions from other governmental organizations (European Union), and contributions from Member States (Australia, Denmark, Japan, the Russian Federation and United States of America). However, due to the time needed to start and implement activities, special-purpose fund delivery is expected to increase by only \$55.9 million from the level projected in the consolidated budget. As a result, the fund balance is anticipated to increase to \$374.3 million at the end of 2013.

Net adjustments and fund balances

34. Commencing December 2012 and following the recommendation of the Board of Auditors and guidance from the United Nations Controller, UNODC adopted the policy of fully expensing within all funding sources the present value of future commitments on employee after-service health insurance. In effect, the new policy will fully charge to the funding sources the true personnel costs used to produce the outputs of UNODC, and will relieve pressure on the general-purpose and programme support cost fund balances. In the past, the costs of these future commitments were reflected neither in the budget nor as period expenses; rather, they were absorbed by the fund balances of programme support cost funds for its own commitments and general-purpose for the commitments of general-purpose and special-purpose. As of the last biennium, the general-purpose funds and the programme support cost funds bore an accumulated total of \$35.7 million of after-service liabilities; out of which \$15.2 million was the charge for the last biennium alone, triggered by a reduction of the discounted rates used by the actuaries.

35. Table 4 shows a total net adjustment of \$4.3 million to general-purpose and programme support cost funds representing an estimated after-service health insurance commitment of \$3.2 million for the 11 months ending November 2012 and other miscellaneous after-service liabilities of \$1.1 million. Beyond November 2012, the cost of these commitments form part of the standard salary costs and are fully budgeted within the estimates of all funding sources, including the special-purpose funds.

36. In view of the observed foreign currency market volatility and the negative effect of potential foreign exchange losses, UNODC closely monitored its foreign

currency position throughout the biennium. In addition, UNODC coordinated closely with the United Nations Treasurer and adopted the prudent practice of holding a maximum of three month requirement's worth of non-United States dollars balances. At the end of 2012, UNODC was in a net gain position of \$4.1 million for the special-purpose funds and a no gain/loss position on the general-purpose and programme support cost funds.

37. Despite positive measures being taken such as the after-service health insurance policy above, it is of the utmost necessity that the funds of UNODC more than cover their period expenditures from income of the same period. It is recalled that a lesson learned during the 2009 financial crisis was that a healthy set of fund balances could serve as a security towards unforeseen shortfalls and could fund additional liabilities in case of sudden curtailment of operations. Table 4 depicts a picture in which, while the programme support cost is prudently kept in line with the expansion of UNODC, the general-purpose fund balances are radically decreasing. The United Nations financial policies require that funds maintain a minimum level of reserves equal to one year expenditure requirements. While both funds comply with this requirement, they are at the limit of their compliance.

IV. Financial position

A. Fund of the United Nations International Drug Control Programme

38. The financial position of the Fund of the United Nations International Drug Control Programme is summarized in table 5. The income for the general-purpose fund is projected to decrease slightly by \$0.5 million, from the \$12.9 million presented in the consolidated budget to \$12.4 million. The decrease results from the downward trend of unearmarked funding from donors and a decrease in projected miscellaneous income. General-purpose fund expenditure is projected to amount to \$12.6 million, which closely resembles the projected expenditure in the consolidated budget. Further, the general-purpose fund is also expected to contribute to a provision for unfunded end-of-service liabilities in the amount of \$1.0 million. These revised estimates will result in a general-purpose fund balance of \$9.6 million at the end of 2013.

39. Programme support cost income for UNODC (net of the share for implementing partners) is expected to increase by \$6.4 million (37 per cent), from \$17.0 million in the consolidated budget to \$23.4 million. Programme support cost expenditure is projected to increase by \$1.4 million (8 per cent), from \$16.1 million in the consolidated budget to \$17.5 million. Further, the programme support cost fund is expected to contribute to a provision for end-of-service liabilities in the amount of \$1.7 million. These revised estimates will result in a programme support cost fund balance of \$12.5 million at the end of 2013.

40. Special-purpose income is projected to increase from \$271.5 million in the consolidated budget to \$324.2 million, mainly as a result of increased contributions from cost-sharing contributions (Colombia, Brazil and Mexico), contributions from other governmental organizations (European Union) and contributions from Member States (Denmark, Japan, the Russian Federation and the United States).

Programme delivery is expected to increase from \$214.4 million to \$244.1 million in the consolidated budget. This increase mainly reflects higher than anticipated delivery under the health and livelihood programmes, especially in West and Central Asia and Latin America and the Caribbean. As a result, the fund balance of \$143.0 million at the end of 2011 will increase to \$200.0 million by the end of 2013.

Table 5
**Drug programme: financial summary of the Fund of the United Nations International Drug Control
 Programme, bienniums 2010-2011 and 2012-2013**
 (Millions of United States dollars)

	2010-2011 actuals			2012-2013 initial budget			2012-2013 revised budget		
	Special- purpose funds	General- purpose funds	Programme support costs	Special- purpose funds	General- purpose funds	Programme support costs	Special- purpose funds	General- purpose funds	Programme support costs
I. Funding									
A. Fund balances at start of biennium ^a	153.2	14.6	11.4	143.0	10.8	8.3	143.0	10.8	8.3
Total A	153.2	14.6	11.4	143.0	10.8	8.3	143.0	10.8	8.3
B. Income									
Contributions from Member States	121.0	20.0	-	143.3	12.0	-	151.4	11.8	-
Cost-sharing by Member States	84.3	-	-	84.3	-	-	123.9	-	-
Contributions from other governmental organizations	20.3	-	-	20.0	-	-	23.0	-	-
Contributions from international organizations	20.4	-	-	20.1	-	-	15.8	-	-
Public donations	1.8	-	-	1.8	-	-	1.2	-	-
Other income ^b	(1.3)	-	0.1	(1.2)	1.9	0.2	9.0	0.6	0.2
Subtotal, income	246.5	20.0	0.1	266.6	271.5	0.2	324.2	12.4	0.2
Programme support income for UNODC	(23.2)	-	23.2	-	(16.9)	16.9	(23.6)	-	23.6
Programme support paid to implementing partners	0.7	-	-0.7	-	0.1	-0.1	0.4	-	-0.4
Subtotal, B	224.0	20.0	22.5	266.6	254.7	17.0	301.0	12.4	23.4
Total, I (A+B)	377.2	34.7	33.9	397.7	23.7	25.3	444.1	23.2	31.7
II. Expenditure by subprogramme									
Executive direction and management	0.4	1.1	0.1	1.2	1.2	-	1.1	1.3	-
1. Countering transnational organized crime and illicit trafficking, including drug trafficking	52.5	0.4	0.2	53.1	62.6	-	50.2	-	-
2. Countering corruption	-	-	-	-	-	-	-	-	-

	2010-2011 actuals			2012-2013 initial budget			2012-2013 revised budget		
	Special-purpose funds	General-purpose funds	Programme support costs	Total	Special-purpose funds	General-purpose funds	Special-purpose funds	General-purpose funds	Programme support costs
3. Terrorism prevention and combating	—	—	—	—	—	—	—	—	—
4. Justice	8.3	7.1	13.7	29.2	1.4	6.0	9.7	17.1	7.8
5. Health and livelihoods	153.3	0.1	0.4	153.9	124.3	0.3	—	124.6	157.5
6. Research and trend analysis	15.0	3.0	—	17.9	19.3	2.3	—	21.6	20.0
7. Policy support	3.6	1.9	0.6	6.0	4.3	1.3	0.6	6.3	3.7
Programme support	1.0	2.2	6.8	10.0	1.2	1.5	5.7	8.5	3.8
Total, II	234.2	15.7	21.8	271.7	214.4	12.6	16.1	243.2	244.1
III. Other adjustments to fund balances									
Adjustment for unfunded end-of-service liabilities	—	(8.1)	(3.8)	(12.0)	—	—	—	—	(1.0)
Total, III	—	(8.1)	(3.8)	(12.0)	—	—	—	—	(1.7)
Fund balances at biennium end (I-II+III)	143.0	10.8	8.3	162.1	183.2	11.1	9.2	203.5	200.0
									12.5
									222.1

^a Includes adjustments to 2010-2011 financial statement fund balances that will be included in the 2012 financial statements.

^b Includes interest income, gains and losses on foreign exchange (shared between funds), and miscellaneous income.

B. United Nations Crime Prevention and Criminal Justice Fund

41. The financial position of the United Nations Crime Prevention and Criminal Justice Fund is summarized in table 6. The income for general-purpose fund is projected to decrease by \$0.8 million from the \$8.6 million presented in the consolidated budget to \$7.8 million, mainly due to a decrease in projected interest income. General-purpose fund expenditure is projected to amount to \$8.6 million, which would represent an increase in requirements of \$0.1 million (1 per cent) from the projected expenditure reflected in the consolidated budget of \$8.5 million. Further, the general-purpose fund is also expected to contribute to a provision for unfunded end-of-service liabilities in the amount of \$0.7 million. These revised estimates will result in a general-purpose fund balance of \$2.0 million at the end of 2013.

42. Programme support cost income for UNODC is expected to increase slightly by \$0.4 million (2 per cent), from \$19.5 million in the consolidated budget to \$19.9 million. This reflects a slight increase in the special-purpose programme delivery, offset by an increase in the programme support shared with implementing partners. Programme support cost expenditure is projected to increase by \$0.8 million (4 per cent), from \$19.7 million in the consolidated budget to \$20.5 million in 2012-2013. Further, the programme support cost fund is expected to contribute to a provision for end-of-service liabilities in the amount of \$1.0 million. These revised estimates will result in a programme support cost fund balance of \$10.2 million at the end of 2013.

43. The special-purpose income of the crime programme fund is projected to increase from \$194.3 million in the consolidated budget to \$256.7 million, mainly as a result of increased contributions from other governmental organizations (European Union, to UNODC and the United Nations Interregional Crime and Justice Research Institute), cost-sharing contributions (Brazil and Colombia), and contributions from Member States (Australia and Japan). Programme delivery is expected to grow from \$204.1 million to \$230.4 million. This increase reflects a \$16.1 million growth of the portfolio of the United Nations Interregional Crime and Justice Research Institute, a \$9.2 million growth of the portfolio of UNODC and a \$1.0 million growth of programme support cost for implementing partners. As a result, the fund balance of \$171.2 million at the end of 2011 will increase to \$174.4 million at the end of 2013.

Table 6
Crime programme: financial summary of the United Nations Crime Prevention and Criminal Justice Fund,^a 2010-2011 and 2012-2013
(Millions of United States dollars)

	2010-2011 actuals				2012-2013 initial budget				2012-2013 revised budget			
	Special-purpose funds	General-purpose funds	Programme support costs	Total	Special-purpose funds	General-purpose funds	Programme support costs	Total	Special-purpose funds	General-purpose funds	Programme support costs	Total
I. Funding												
A. Fund balances at start of biennium ^b	113.8	2.3	4.1	120.1	171.2	3.4	8.9	183.6	171.2	3.4	8.9	183.6
Total A	113.8	2.3	4.1	120.1	171.2	3.4	8.9	183.6	171.2	3.4	8.9	183.6
B. Income												
Contributions from Member States	167.7	5.5	—	173.2	129.6	6.2	—	135.8	141.1	7.0	—	148.1
Cost-sharing by Member States	5.7	—	—	5.7	6.0	—	—	6.0	11.0	—	—	11.0
Contributions from other governmental organizations	43.9	0.3	—	44.3	44.0	—	—	44.0	83.8	—	—	83.8
Contributions from international organizations	6.5	—	—	6.5	6.8	—	—	6.8	8.2	—	—	8.2
Public donations	5.0	—	—	5.0	4.9	—	—	4.9	9.5	—	—	9.5
Other income ^c	(0.6)	1.7	—	1	3.0	2.4	0.2	6	3.2	0.9	0.2	4
Subtotal, income	228.1	7.5	—	235.6	194.3	8.6	0.2	203.1	256.7	7.8	0.2	264.7
Programme support income for UNODC	(15.0)	—	15.0	—	(20.0)	—	20.0	—	(21.5)	—	21.5	—
Programme support income for UNICRI	(0.9)	—	0.9	—	(1.7)	—	1.7	—	(3.0)	—	3.0	—
Programme support paid to implementing partners	0.9	—	(0.9)	—	0.7	—	(0.7)	—	1.7	—	(1.7)	—
Subtotal, B	213.1	7.5	15.0	235.6	173.3	8.6	21.2	203.1	234.0	7.8	23.0	264.7
Total, I (A+B)	326.9	9.7	19.1	355.7	344.6	12.0	30.1	386.7	405.2	11.3	31.9	448.3
II. Expenditure by subprogramme												
Executive direction and management	—	0.1	—	0.1	—	0.5	0.5	1.0	—	0.5	0.6	1.0
1. Countering transnational organized crime and illicit trafficking, including drug trafficking	38.3	—	0.3	38.7	67.2	0.4	0.5	68.2	62.9	0.4	0.6	63.9

	2010-2011 actuals				2012-2013 initial budget				2012-2013 revised budget			
	Special-purpose funds	General-purpose funds	Programme support costs	Total	Special-purpose funds	General-purpose funds	Programme support costs	Total	Special-purpose funds	General-purpose funds	Programme support costs	Total
2. Countering corruption	23.3	—	0.1	23.4	42.4	—	—	42.4	32.1	—	—	32.1
3. Terrorism prevention and combating	11.3	—	—	11.3	20.4	—	—	20.4	15.7	—	—	15.7
4. Justice	59.1	3.1	5.0	67.2	35.8	5.6	9.0	50.3	65.6	5.8	9.2	80.6
5. Health and livelihoods	0.2	—	—	0.2	6.2	—	—	6.2	1.2	—	—	1.2
6. Research and trend analysis	17.3	0.6	0.9	18.8	30.4	1.4	0.3	32.0	45.6	1.2	0.3	47.1
7. Policy support	1.1	0.3	0.3	1.6	1.7	—	2.3	4.0	3.0	—	2.5	5.6
Programme support	4.4	0.1	2.4	6.9	—	0.7	7.1	7.8	4.2	0.7	7.4	12.3
Total, II	155.0	4.2	9.0	168.2	204.1	8.5	19.7	232.3	230.4	8.6	20.5	259.6
III. Other adjustments to fund balances												
Adjustment for unfunded end-of-service liabilities	(0.6)	(2.1)	(1.2)	(3.9)	—	—	—	—	(0.4)	(0.7)	(1.0)	(2.1)
Total, III	(0.6)	(2.1)	(1.2)	(3.9)	—	—	—	—	(0.4)	(0.7)	(1.0)	(2.1)
Fund balances at biennium end (I-II+III)	171.2	3.4	8.9	183.6	140.5	3.6	10.4	154.5	174.4	2.0	10.2	186.6

^a Includes the sub-fund for the United Nations Interregional Crime and Justice Research Institute.

^b Includes adjustments to 2010-2011 financial statement fund balances that will be included in the 2012 financial statements.

^c Includes interest income, gains and losses on foreign exchange (shared between funds), and miscellaneous income.

V. Conclusions

44. For the Fund of the United Nations International Drug Control Programme, Member States are requested to approve revised estimates for general-purpose funds totalling at least \$12,607,100 reflecting a decrease of \$41,200 vis-à-vis the amount approved by the Commission on Narcotic Drugs in its resolution 54/16. Member States are also requested to endorse revised estimates for programme support cost funds totalling \$17,457,300 and for special-purpose funds totalling \$244,092,200.

45. For the United Nations Crime Prevention and Criminal Justice Fund, Member States are requested to approve revised estimates for general-purpose funds totalling at least \$8,630,700, reflecting an increase of \$151,200 vis-à-vis the amount approved by the Commission on Crime Prevention and Criminal Justice in its resolution 20/8. Member States are also requested to endorse revised estimates for programme support cost funds totalling \$20,533,600 and for special-purpose funds totalling \$230,395,900.

46. UNODC has taken steps to immediately address the shortfall in general-purpose funds, with cost containment measures amounting to \$1.9 million. UNODC will continue to closely scrutinize expenditures throughout 2013 in an effort to further contain costs. Discussions to further clarify what constitute “core functions” to be funded by general-purpose funds are taking place within the context of the standing open-ended intergovernmental working group on improving the governance and financial situation of the United Nations Office on Drugs and Crime. The outcome of the discussions would be presented to the Commissions for consideration at their reconvened sessions in December 2013 and in the context of the consolidated budget for the biennium 2014-2015.

47. In addition, UNODC is actively approaching donors to raise additional funding to bridge the \$1.0 million gap between general-purpose income and expenditures.

Annex I

Allocation of special-purpose voluntary contributions in the bienniums 2010-2011 and 2012-2013

1. The table below shows a breakdown by theme, region, United Nations Office on Drugs and Crime (UNODC) division and fund of the programme of work financed with special-purpose voluntary contributions in the bienniums 2010-2011 and 2012-2013. Performance by theme is described in the report of the Executive Director on the activities of UNODC (E/CN.7/2013/3-E/CN.15/2013/3). In accordance with the request of the Advisory Committee on Administrative and Budgetary Questions that UNODC should carefully monitor changing geographical needs (see E/CN.7/2005/9), the increase of \$85.3 million (21.9 per cent) from \$389.2 million in 2010-2011 to \$474.5 million in 2012-2013 is elaborated by region.

2. In Africa and the Middle East, an increase of \$24.8 million (34.2 per cent), from \$72.4 million in 2010-2011 to \$97.2 million in 2012-2013, is projected. The increase from the previous biennium is mainly due to the expansion of activities under the country programme in Nigeria and reflects the major new partnership between the European Union, Nigeria and UNODC in the area of organized crime, trafficking in human beings/smuggling of migrants, anti-corruption and justice sector reform, which will lead to a significant expansion of the programme portfolio in Africa and the Middle East region. Other major contributors to the increase are the regional programme for East Africa, the regional programme for South Africa, the national programme in the State of Palestine and the HIV and AIDS programmes in sub-Saharan Africa and in East Africa. Another major contributor is the counter-piracy programme, which is expanding its activities in the region, as well as in Somalia in response to the recommendations in the report of the Special Adviser to the Secretary-General on Legal Issues Related to Piracy off the Coast of Somalia (S/2011/30).

3. In East Asia, South Asia and the Pacific, the overall budget for the region is expected to slightly decrease by approximately \$1 million (3.3 per cent), from \$31.9 million in the biennium 2010-2011 to \$30.9 million in the biennium 2012-2013. The decrease reflects the lower level of funding available for the HIV prevention programme in the South Asian Association for Regional Cooperation (SAARC) region, the HIV prevention programmes in Nepal and the HIV/AIDS prevention programmes in Myanmar. The decrease also reflects a reduction in the portfolio of UNODC in Indonesia and Viet Nam.

4. In Central and West Asia, an increase of \$16.1 million (24.6 per cent), from \$65.4 million in 2010-2011 to \$81.5 million in 2012-2013, is projected. The increase is due mainly to the growth of the country programmes of Afghanistan, the regional programme for Afghanistan and neighbouring countries and the country programmes of Pakistan. Within the framework of the regional programme for Afghanistan and neighbouring countries, whose implementation began in 2011, UNODC continues to facilitate and further promote successful regional interventions such as the Triangular Initiative, aimed at cross-border cooperation in counter-narcotics enforcement between Afghanistan, Iran (Islamic Republic of) and Pakistan.

5. In Central and Eastern and South-Eastern Europe, the strategic directions for UNODC operations are being reviewed in order to achieve more coherent and integrated action. For Central and Eastern Europe, a significant decrease of \$10.6 million (81.0 per cent) is envisaged in the regional portfolio, decreasing from \$13.1 million in 2010-2011 to \$2.5 million in 2012-2013. The decrease reflects the completion of the HIV/AIDS prevention programmes in Estonia, Latvia, Lithuania, Romania and the Russian Federation, as well as an overall reduced portfolio in the region. In 2012, UNODC initiated consultations with the Russian Federation on the potential transformation of the current UNODC Programme Office in the Russian Federation into a liaison and partnership office, which would promote an enhanced strategic partnership at the regional level. In South-Eastern Europe, UNODC launched in 2012 a new regional programme (2012-2015), thus repositioning itself in the region and focusing on interregional and intraregional cooperation, with a view to addressing illicit drug trafficking (mostly heroin from Afghanistan) and related challenges.

6. In Latin America and the Caribbean, the overall budget increased by \$6.4 million (6.1 per cent), from \$106.2 million in 2010-2011 to \$112.7 million in 2012-2013. The Country Office in Colombia maintains one of the highest programme deliveries worldwide, particularly through its activities in the field of alternative development. The Country Office in Colombia is also moving towards portfolio diversification, adding thematic areas of intervention (e.g. anti-corruption and urban crime). UNODC is maintaining its presence in the Plurinational State of Bolivia. In Central America and the Caribbean, the Office has expanded its programme delivery, notably through the regional programme for Central America and the setting-up of a UNODC regional office in Panama covering 24 countries in Central America and the Caribbean. UNODC has also been able to give new impetus to its operations in Mexico, which became a liaison and partnership office in October 2012. In 2012-2013, UNODC continues the transformation of the Regional Office for Brazil and the Southern Cone into a liaison and partnership office, so as to reflect the changing realities in the region with new forms of partnerships and government funding. A new integrated country programme for Paraguay was launched in 2011. The Regional Office for Peru and Ecuador has maintained a steady presence.

7. With respect to global activities, an increase of \$49.6 million (49.6 per cent), from \$100.1 million in 2010-2011 to \$149.8 million in 2012-2013, is projected. The growth is mainly due to the increase in the activities of the United Nations Interregional Crime and Justice Research Institute. Other major contributors to that increase are the illicit drug prevention and treatment of drug use disorders programme, the partnership with civil society programme and the global programmes for anti-corruption.

Table
Programme of work funded from special-purpose voluntary contributions in the bienniums 2010-2011
and 2012-2013
(Thousands of United States dollars)

	Fund of the United Nations International Drug Control Programme			United Nations Crime Prevention and Criminal Justice Fund			Total United Nations Office on Drugs and Crime funds		
	2010-2011 (actual)	2012-2013 (revised)	Variance (percentage)	2010-2011 (actual)	2012-2013 (revised)	Variance (percentage)	2010-2011 (actual)	2012-2013 (revised)	Variance (percentage)
A. By theme									
Executive direction and management	436.7	1 073.6	145.9	–	–	–	436.7	1 073.6	145.9
1. Countering transnational organized crime and illicit trafficking, including drug trafficking	52 537.1	50 198.6	(4.5)	38 317.9	62 925.4	64.2	90 855.0	113 124.0	24.5
2. Countering corruption	–	–	–	23 291.4	32 096.5	37.8	23 291.4	32 096.5	37.8
3. Terrorism prevention and combating	–	–	–	11 304.8	15 713.2	39.0	11 304.8	15 713.2	39.0
4. Justice ^a	8 329.1	7 808.1	(6.3)	59 145.7	65 573.9	10.9	67 474.8	73 382.0	8.8
5. Health and livelihoods	153 335.1	157 498.4	2.7	212.8	1 228.7	477.3	153 547.9	158 727.1	3.4
6. Research and trend analysis ^b	14 967.0	19 956.1	33.3	17 256.7	45 573.7	164.1	32 223.7	65 529.8	103.4
7. Policy support	3 577.8	3 717.3	3.9	1 088.6	3 046.0	179.8	4 666.5	6 763.3	44.9
Programme support	986.2	3 840.1	289.4	4 402.0	4 238.5	(3.7)	5 388.2	8 078.6	49.9
Total	234 169.1	244 092.2	4.2	155 019.8	230 395.9	48.6	389 188.9	474 488.1	21.9
B. By region									
Africa and the Middle East ^a	13 611.4	17 071.7	25.4	58 785.9	80 111.1	36.3	72 397.3	97 182.8	34.2
East Asia, South Asia and the Pacific	19 297.8	13 660.4	(29.2)	12 598.1	17 197.8	36.5	31 895.6	30 858.2	(3.3)
Central and West Asia	50 704.5	54 102.8	6.7	14 684.7	27 398.6	86.6	65 389.2	81 501.4	24.6
Central and Eastern Europe	10 340.5	1 692.5	(83.6)	2 799.4	800.7	(71.4)	13 139.9	2 493.2	(81.0)
Latin America and the Caribbean	95 802.5	97 819.3	2.1	10 450.1	14 866.4	42.3	106 252.6	112 685.7	6.1
Global ^b	44 412.5	59 745.5	34.5	55 701.6	90 021.3	61.6	100 114.1	149 766.8	49.6
Total	234 169.1	244 092.2	4.2	155 019.8	230 395.9	48.6	389 188.9	474 488.1	21.9
C. By division									
Division for Operations ^a	222 692.5	217 953.8	(2.1)	113 922.6	142 125.9	24.8	336 615.1	360 079.7	7.0
Division for Treaty Affairs ^b	2 059.9	13 290.9	545.2	30 710.7	77 244.7	151.5	32 770.6	90 535.6	176.3
Division for Policy Analysis and Public Affairs	7 529.1	7 933.8	5.4	3 670.8	6 786.8	84.9	11 199.9	14 720.6	31.4
Division for Management	1 450.9	3 840.1	164.7	6 715.8	4 238.5	(36.9)	8 166.7	8 078.6	(1.1)
Office of the Executive Director	436.7	1 073.6	145.8	–	–	–	436.7	1 073.6	145.8
Total	234 169.1	244 092.2	4.2	155 019.8	230 395.9	48.6	389 188.9	474 488.1	21.9

^a Includes support cost paid to implementing partners.

^b Includes the sub-fund for the United Nations Interregional Crime and Justice Research Institute.

Annex II

Draft resolution on the Fund of the United Nations International Drug Control Programme for adoption by the Commission on Narcotic Drugs

Implementation of the budget for the biennium 2012-2013 for the Fund of the United Nations International Drug Control Programme

The Commission on Narcotic Drugs,

Exercising the administrative and financial functions entrusted to it by the General Assembly in its resolution 46/185 C, section XVI, paragraph 2, of 20 December 1991,

Having considered the report of the Executive Director on the implementation of the consolidated budget for the biennium 2012-2013 for the United Nations Office on Drugs and Crime,¹

Recalling its resolution 54/16,

1. *Notes* that the report of the Executive Director on the implementation of the consolidated budget for the biennium 2012-2013 for the United Nations Office on Drugs and Crime² provides information on the adjustments to the consolidated budget;
2. *Also notes* the continued strong donor confidence in programme delivery by the United Nations Office on Drugs and Crime, as reflected in the increase in special-purpose contributions;
3. *Further notes* with concern the financial challenges facing the United Nations Office on Drugs and Crime as set out in the report of the Executive Director on the implementation of the consolidated budget for the biennium 2012-2013 for the United Nations Office on Drugs and Crime, in particular the shortfall in general-purpose funding;
4. *Notes* the cost-saving measures taken by the United Nations Office on Drugs and Crime to reduce general-purpose expenditure by 1,209,400 United States dollars, as reflected in the revised projections of 12,607,100 dollars;
5. *Approves* the revised projected use of general-purpose funds in the biennium 2012-2013, and invites Member States to provide contributions totalling at least 12,607,100 dollars;
6. *Endorses* the revised estimates for the programme support cost funds and special-purpose funds as indicated below:

¹ E/CN.7/2013/6-E/CN.15/2013/6.

² Ibid.

Resource projections for the Fund of the United Nations International Drug Control Programme

	<i>Resources (thousands of United States dollars)</i>		<i>Posts</i>	
	<i>Approved budget, 2012-2013</i>	<i>Revised budget, 2012-2013</i>	<i>Approved budget, 2012-2013</i>	<i>Revised budget, 2012-2013</i>
General-purpose funds				
Post	11 078.6	11 424.8	35	35
Non-post	1 569.7	1 182.3	–	–
Subtotal	12 648.3	12 607.1	35	35
Programme support cost funds				
Post	12 964.3	13 896.3	108	111
Non-post	3 129.3	3 561.0	–	–
Subtotal	16 093.5	17 457.3	108	111
Special-purpose funds	214 449.8	244 092.2	–	–
Total	243 191.6	274 156.6	143	146

7. *Notes* that the estimated resource projections above are subject to the availability of funding.

Annex III

Draft resolution on the United Nations Crime Prevention and Criminal Justice Fund for adoption by the Commission on Crime Prevention and Criminal Justice

Implementation of the budget for the biennium 2012-2013 for the United Nations Crime Prevention and Criminal Justice Fund

The Commission on Crime Prevention and Criminal Justice,

Exercising the administrative and financial functions entrusted to it by the General Assembly in its resolution 61/252 of 22 December 2006,

Having considered the report of the Executive Director on the implementation of the consolidated budget for the biennium 2012-2013 for the United Nations Office on Drugs and Crime,¹

Recalling its resolution 20/8,

1. *Notes* that the report of the Executive Director on the implementation of the consolidated budget for the biennium 2012-2013 for the United Nations Office on Drugs and Crime² provides information on the adjustments to the consolidated budget;
2. *Also notes* the continued strong donor confidence in programme delivery by the United Nations Office on Drugs and Crime, as reflected by the increase in special-purpose contributions;
3. *Further notes* with concern the financial challenges facing the United Nations Office on Drugs and Crime as set out in the report of the Executive Director on the implementation of the consolidated budget for the biennium 2012-2013 for the United Nations Office on Drugs and Crime, in particular the shortfall in general-purpose funding;
4. *Notes* the cost-saving measures taken by the United Nations Office on Drugs and Crime to reduce general-purpose expenditure by 694,300 United States dollars, as reflected in the revised projections of 8,630,700 dollars.
5. *Approves* the revised projected use of general-purpose funds in the biennium 2012-2013, and invites Member States to provide contributions totalling at least 8,630,700 dollars;
6. *Endorses* the revised estimates for the programme support cost funds and special-purpose funds as indicated below:

¹ E/CN.7/2013/6-E/CN.15/2013/6.

² Ibid.

Resource projections for the United Nations Crime Prevention and Criminal Justice Fund

	<i>Resources (thousands of United States dollars)</i>		<i>Posts</i>	
	<i>Approved budget, 2012-2013</i>	<i>Revised budget, 2012-2013</i>	<i>Approved budget, 2012-2013</i>	<i>Revised budget, 2012-2013</i>
General-purpose funds				
Post	8 153.7	8 338.0	24	24
Non-post	325.8	292.7	–	–
Subtotal	8 479.5	8 630.7	24	24
Programme support cost funds				
Post	15 579.5	16 396.9	76	76
Non-post	4 136.5	4 136.5	–	–
Subtotal	19 716.0	20 533.4	76	76
Special-purpose funds	204 095.5	230 395.9	–	–
Total	232 290.9	259 560.0	100	100

7. Notes that the estimated resource projections above are subject to the availability of funding.