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Administrative and budgetary questions

Commission on Crime Prevention and Criminal Justice

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Item 7 of the provisional agenda**

Strengthening the crime programme of the United Nations Office on Drugs and Crime and the role of the Commission on Crime Prevention and Criminal Justice as its governing body, including administrative, strategic management and budgetary questions

Outline of the consolidated budget for the biennium 2008-2009 for the United Nations Office on Drugs and Crime

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Executive Director on the outline of the consolidated budget for the biennium 2008-2009 for the United Nations Office on Drugs and Crime (E/CN.7/2007/12–E/CN.15/2007/15). During its consideration of the report, the Advisory Committee met with the Executive Director and other senior officials of the United Nations Office on Drugs and Crime (UNODC), who provided additional information.

2. **The Advisory Committee notes the improvements in the presentation of the outline. In particular, the Committee observes that its concern regarding the need for careful monitoring of changing needs to ensure that the budget contains realistic resource requirements (see E/CN.7/2005/9, para. 8) has been addressed through the presentation of the programme of work by region, including related estimated requirements.**

* E/CN.7/2007/1.

** E/CN.15/2007/1.



3. **The Advisory Committee is aware that the outline represents only a preliminary estimate of income and expenditure and that more precise estimates will be included in the consolidated budget presentation. The Advisory Committee will therefore confine itself, in the present report, to observations of a general nature and intends to comment in detail during its consideration of the proposed consolidated budget. Moreover, the Committee reserves its position, at this time, on the estimated regular budget requirements for UNODC for 2008-2009, which are mentioned in paragraphs 20 and 21 of the report of the Executive Director, as it will comment thereon when it considers the proposed programme budget of the United Nations for the biennium 2008-2009.**

4. The budget outline for the biennium 2008-2009 amounts to \$325,863,000, as compared to the revised budget for the biennium 2006-2007 of \$283,048,000, representing an increase of \$42.8 million, or 15 per cent. The total includes estimated voluntary funding of \$212,323,000 for the drug programme and \$76,837,000 for the crime programme, as well as proposed regular budget funding of \$36,703,000. These figures represent increases of 15, 19 and 10 per cent respectively over the revised budget for 2006-2007.

5. As noted in paragraph 6 of the report of the Executive Director, the programme of work is projected to increase by \$41.4 million, or 18 per cent, from \$230 million in 2006-2007 to \$271.4 million in 2008-2009. The growth reflects continued large increases in special-purpose (earmarked) voluntary contributions (see also paras. 8-11 below). Major changes projected for 2008-2009 are described by region in paragraphs 7-12 of the report.

6. In its report on the outline for the biennium 2006-2007, the Advisory Committee emphasized the need to monitor the ratio between the programme and support components to ensure that support costs are not increased to the detriment of expenditure on programmes (see E/CN.7/2005/9, para. 5). **The Committee welcomes the improvement in the programme to support ratio, as noted in paragraph 15 of the report of the Executive Director, from 75:25 realized in 2004-2005 to 81:19 expected in 2006-2007, as well as the projected ratio of 83:17 for 2008-2009. The Committee encourages UNODC to continue its efforts towards improvement in this regard.**

7. As indicated in paragraph 13 of the report of the Executive Director, programme support requirements are projected to increase by \$1.3 million, or 3 per cent, from \$53.1 million in 2006-2007 to \$54.4 million in 2008-2009. Although savings have been achieved in 2006-2007 through the freezing of vacant posts, the imposition of travel restrictions and the charging of support costs directly attributable to projects to the projects themselves instead of the programme support budget, such savings have largely been offset by salary increases and exchange rate losses. As indicated in paragraph 14 of the report, in 2006-2007 the programme support budget of the Fund of the United Nations International Drug Control Programme (UNDCP) was reduced by \$3 million (7 per cent), from \$42.5 million to \$39.5 million. Further savings of between \$1 and \$2 million are planned for 2007 through the rationalization of field offices and the freezing of additional vacancies. The programme support budget of the United Nations Crime Prevention and Criminal Justice Fund for 2006-2007 was revised downwards by \$1 million (10 per cent), from \$10.2 million to \$9.1 million. **While the Advisory Committee**

welcomes the measures being taken to achieve savings and to increase the operating reserves, it cautions that measures such as restricting travel and freezing vacant posts may, in the long run, affect programme delivery. In this connection, the Committee requests that detailed information concerning the vacancy rate at UNODC and the job functions of those posts which have been frozen be provided to the Committee in the context of its consideration of the regular budget.

8. **The Advisory Committee notes with concern that general-purpose income for the Fund of UNDCP is feared further to decline by \$5.7 million, or 17 per cent, from \$33.5 million in 2004-2005 to \$27.8 million in 2006-2007.** Upon enquiry, the Committee was informed that general-purpose income for the Fund of UNDCP had been declining for years, both in absolute terms and relative to earmarked contributions (see the figure). Average annual general-purpose contributions were \$21 million from 1992 to 1998 and \$16 million from 1999 to 2005. In 2006, such contributions declined to \$14.4 million and are estimated at \$12.8 million for 2007. In contrast, earmarked special-purpose income increased from an annual average of \$43 million for 1992-1998 to \$58 million for 1999-2005. In 2006, special-purpose income totalled \$73.7 million, and \$77.8 million is expected in 2007.

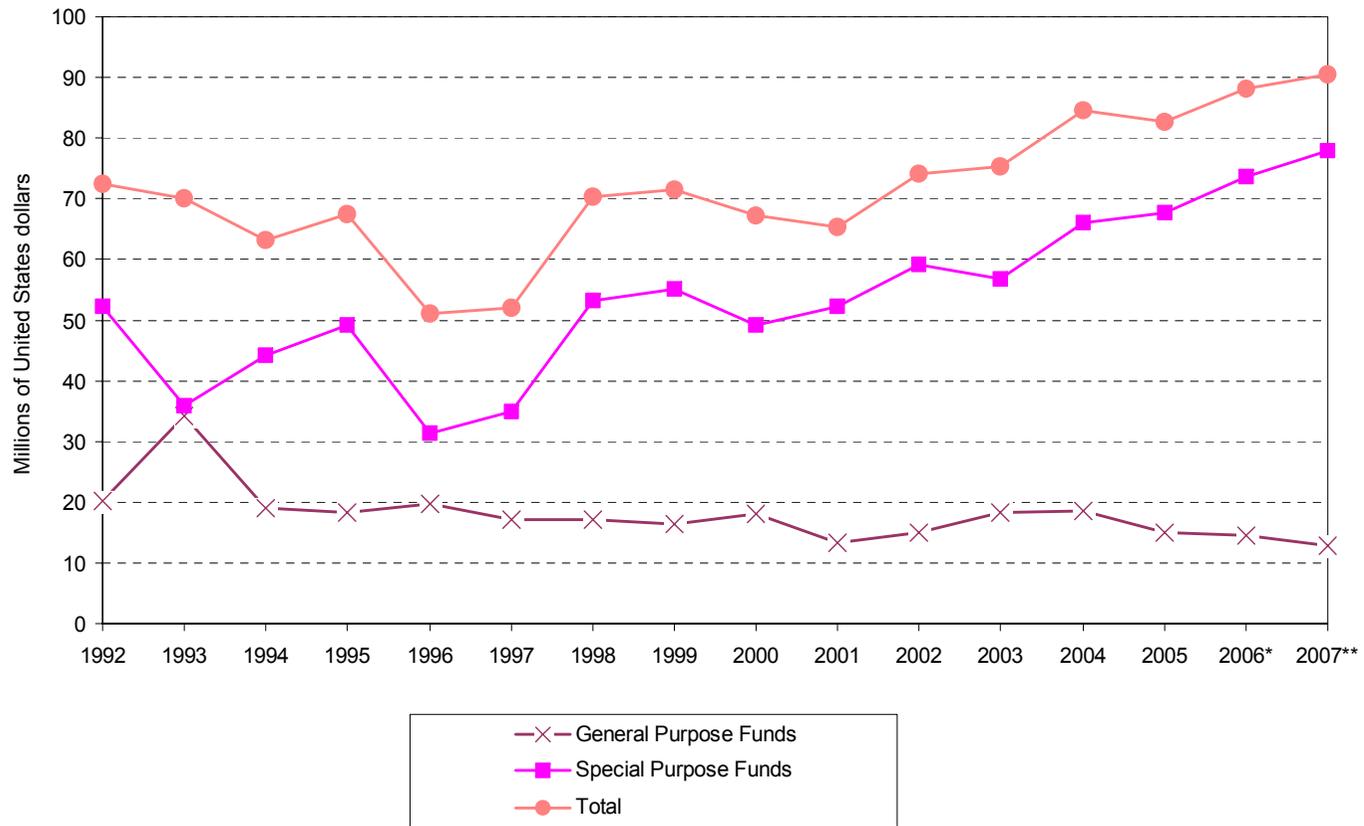
9. The Advisory Committee was informed that \$12 million of the general-purpose funds of the Fund of UNDCP would be spent on programme support in 2007 because programme support cost recovery from projects was only \$5.7 million, or 32 per cent, of the \$18 million in annual requirements; the balance (\$0.3 million) is met from earmarked contributions. The Committee was also informed that, of the \$12 million expenditure from general-purpose funds in 2007, \$8.7 million is for salaries of core posts in the programme support budget, as approved by the Commission on Narcotic Drugs, and another \$1 million is spent on core programmes that do not attract sufficient earmarked funds.

10. For the United Nations Crime Prevention and Criminal Justice Fund, general-purpose income is projected to remain at approximately \$3.8 million in 2008-2009. Special-purpose income for the Fund is projected to decline in 2006-2007 by \$11.5 million, or 25 per cent, owing to unforeseen delays relating to a large anti-corruption programme. In 2008-2009, special-purpose income is projected to increase by \$29.7 million (86 per cent), to \$64.3 million.

11. **While welcoming projected increases in special-purpose income, the Committee urges UNODC to continue to seek new means to increase general-purpose income.**

12. **The Advisory Committee reiterates its request that UNODC provide information and specific examples of effective coordination between the drug and crime programmes (see E/CN.7/2005/9, para. 7) and recommends that such information be provided in the context of the consolidated budget for the biennium 2008-2009.**

Drug programme: voluntary contributions, 1992-2007
(Millions of United States dollars)



* Subject to accounts finalization.
** Estimates.