

**Economic and Social Council**Distr.: General
15 September 2017

Original: English

Commission on Narcotic Drugs**Reconvened sixtieth session**

Vienna, 7 and 8 December 2017

Agenda item 3

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**Commission on Crime Prevention and Criminal Justice****Reconvened twenty-sixth session**

Vienna, 7 and 8 December 2017

Agenda item 3 (a)

Strategic management, budgetary and administrative questions: work of the standing open-ended intergovernmental working group on improving the governance and financial situation of the United Nations Office on Drugs and Crime**Work of the standing open-ended intergovernmental working group on improving the governance and financial situation of the United Nations Office on Drugs and Crime****Note by the Secretariat****Addendum***Summary*

The present note has been prepared pursuant to Economic and Social Council decision 2017/236, in which the Council decided to renew the mandate of the standing open-ended intergovernmental working group on improving the governance and financial situation of the United Nations Office on Drugs and Crime until the first half of 2021, as well as Commission on Narcotic Drugs resolutions [52/13](#), [54/10](#), [54/17](#), [56/11](#), [58/1](#) and [60/3](#) and Commission on Crime Prevention and Criminal Justice resolutions [18/3](#), [20/1](#), [20/9](#), [22/2](#), [24/1](#) and [26/1](#). The present note covers the work of the working group between 28 June and 14 September 2017. Information on the work of the working group during the preceding period can be found in document [E/CN.7/2017/3-E/CN.15/2017/3](#) and Add.1.



I. Deliberations

1. In the period from 28 June to 14 September 2017, the standing open-ended intergovernmental working group on improving the governance and financial situation of the United Nations Office on Drugs and Crime (UNODC) held two informal meetings. It continued to consider issues under the items on the agenda approved by the Economic and Social Council in its decision 2017/236 and by the Commission on Narcotic Drugs in its resolution 52/13 and the Commission on Crime Prevention and Criminal Justice in its resolution 18/3, and in accordance with the terms of reference annexed to those resolutions, as well as with provisions contained in Commission on Narcotic Drugs resolutions 54/10, 54/17, 56/11, 58/1 and 60/3 and Commission on Crime Prevention and Criminal Justice resolutions 20/1, 20/9, 22/2, 24/1 and 26/1.

2. At its meeting held on 28 June, the working group approved its calendar of meetings and provisional programme of work for the remainder of 2017. At the same meeting, the Secretariat briefed delegations on the financial situation of UNODC, including the evolution in the period 2010-2017 of special-purpose funds, programme support cost funds and general-purpose funds. Other information provided by the Secretariat included data on the implementation of the 2016 budget (as set out in draft financial statements), UNODC income in 2016, general-purpose funding shortfalls, financial prospects for 2017, special-purpose fund delivery rates and results for 2016 and 2017, implementation of special-purpose funding for the period 2015-2017, by region, implementation of full cost recovery in 2016, details of the programme support cost fund budget for 2016-2017, the UNODC budget timeline for the biennium 2018-2019 and the status of Umoja deployment. Results from 2016 included savings of \$1 million at headquarters, which the Office would use to support field offices, and full cost recovery savings of \$1.7 million. It was stressed that the financial situation of general-purpose funds was unsustainable and had caused strategic and programme delivery obstacles. Delegations expressed satisfaction with the full cost recovery rate that had been reached, but also concern about the expected decline of general-purpose income and expenditure.

3. At the meeting of the working group held on 14 September 2017, delegations were briefed on the financial situation of UNODC and were provided with an outline of the Office's consolidated budget for the biennium 2018-2019. Overall, the budget projected significant growth in programme delivery totalling \$672.4 million and the achievement of balanced budgets for general-purpose and programme support cost funds. Other information provided at the meeting included data on trends and the evolution of special-purpose, general-purpose and programme support cost funds, including key challenges for the future. Trends projected for special-purpose funds would allow significant increases in the programme portfolio for the biennium 2018-2019, in particular for Latin America and the Caribbean, South-East Asia and the Pacific, and West and Central Asia, and for global programmes. General-purpose fund income had continued to decline and could potentially reach an all-time low of \$6.8 million in the biennium 2018-2019. The fund, which had been designated primarily for programmatic needs, would no longer be able to support ongoing operations, nor would it be adequate for delivering organizational mandates and initiatives, as it would represent less than 1 per cent of the total consolidated budget. Programme support cost income for the biennium 2018-2019 was projected to total \$54.0 million, an increase of \$9 million compared with the previous biennium. In an update on the status of Umoja deployment, it was reported that a stabilization of the system, with continued focus on enhancing operational effectiveness, had been observed. Representatives noted that the growth in special-purpose funds reflected the confidence of Member States in the work of UNODC, but they also expressed concern over the decline in general-purpose funds. They also noted that full cost recovery performance varied among field offices, depending on their ability to attract special-purpose funds. With respect to the collection of data on drugs and crime that underpinned the work of UNODC, the crucial role of the Research and Trend Analysis Branch was noted. Several speakers expressed concern about the impact that the lack

of general-purpose funding could have on the work of the Research and Trend Analysis Branch.

4. At the meeting, presentations were also delivered on the Office's planned research activities and publications and the related timelines, including the criteria and methodology that informed them. Delegations were briefed on the production of recurrent publications mandated by the General Assembly, such as the *World Drug Report*, the *Global Report on Trafficking in Persons* and the *World Wildlife Crime Report*. Other global reports under development, as mandated by the Commission on Narcotic Drugs, the Commission on Crime Prevention and Criminal Justice and the Conference of the Parties to the United Nations Convention against Transnational Organized Crime in a number of resolutions, were the global synthetic drugs assessment, the global study on the smuggling of migrants and the global study on homicide. The Research and Trend Analysis Branch was also responsible for Sustainable Development Goal indicators under UNODC mandate in the areas of the prevention of violence and crime; trafficking and organized crime; justice, rule of law and corruption; and drug treatment. The Secretariat also provided information on evaluation reports published in 2017, such as those on the Global Programme against Trafficking in Persons, the Global Programme against the Smuggling of Migrants and the UNODC Sahel Programme. In-depth evaluations were ongoing for the Paris Pact initiative, research being carried out in UNODC and the Global Programme against Money-Laundering, Proceeds of Crime and the Financing of Terrorism. The UNODC Country Programme for the Plurinational State of Bolivia 2016-2020, aimed at preventing crime and responding to the interconnected threats of drugs, organized crime and corruption, was also presented at the meeting. Its five pillars included coca and comprehensive development, health and drug control, prevention and the fight against crime and organized crime, prevention and the fight against corruption, and criminal justice reform.

II. Organizational and administrative matters

5. On 22 June, the extended Bureaux of the Commission on Narcotic Drugs and the Commission on Crime Prevention and Criminal Justice jointly nominated, through the silence procedure, Ignacio Baylina Ruíz (Spain) and Moataz Khaled Abdelhady (Egypt) as Co-Chairs of the standing open-ended intergovernmental working group on improving the governance and financial situation of the United Nations Office on Drugs and Crime under its fifth mandate. The extended Bureaux also agreed to empower the nominated Co-Chairs to commence organizing the work of the working group, including the holding of meetings, prior to the formal endorsement by the Commissions of the nominations and prior to the adoption by the Economic and Social Council of the decision on the extension of the mandate of the working group.

6. Under the guidance of the Co-Chairs, the working group held two informal meetings, on 28 June and 14 September 2017, respectively.

7. The Secretariat continued to provide documents and information to the working group by electronic means and in hard copy, including through a web page accessible to the public (www.unodc.org/unodc/en/commissions/FINGOV/FINGOV-index.html) and a secure web page for Member States (www.unodc.org/missions/en/wggf/index.html), established and maintained by the Secretariat for the use of the working group.