



Economic and Social Council

Distr.: General
19 January 2007

Original: English

Commission on Narcotic Drugs
Fiftieth session
Vienna, 12-16 March 2007
Item 10 of the provisional agenda*
Administrative and budgetary questions

Commission on Crime Prevention and Criminal Justice
Sixteenth session
Vienna, 23-27 April 2007
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 Executive Director

Contents

	<i>Paragraphs</i>	<i>Page</i>
I. Introduction	1-2	3
II. Strategic framework	3-5	3
III. Programme of work.	6-12	5
IV. Programme support.	13-15	8
V. Financial position	16-21	9
A. Fund of the United Nations International Drug Control Programme	16-17	9
B. United Nations Crime Prevention and Criminal Justice Fund.	18-19	11
C. Regular budget	20-21	13

* E/CN.7/2007/1.

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



Annex.	Draft resolutions	14
	A. Draft resolution on the Fund of the United Nations International Drug Control Programme for adoption by the Commission on Narcotic Drugs	14
	B. Draft resolution on the United Nations Crime Prevention and Criminal Justice Fund for adoption by the Commission on Crime Prevention and Criminal Justice	15
Tables		
	1. United Nations Office on Drugs and Crime: summary of the revised 2006-2007 budget and the outline of the 2008-2009 budget	4
	2. Fund of the United Nations International Drug Control Programme: financial position ..	10
	3. United Nations Crime Prevention and Criminal Justice Fund: financial position	12
	4. United Nations Office on Drugs and Crime: regular budget resources 2004-2005, 2006-2007 and requirements 2008-2009	13
Figure.	United Nations Office on Drugs and Crime: consolidated revised 2006-2007 budget and outline 2008-2009 budget, by theme	5

I. Introduction

1. The Executive Director of the United Nations Office on Drugs and Crime (UNODC) hereby submits an outline of the consolidated budget for the biennium 2008-2009 to the Commission on Narcotic Drugs and the Commission on Crime Prevention and Criminal Justice, in accordance with resolution 13 (XXXVI) of the Commission on Narcotic Drugs and article X of the Financial Rules of the Fund of the United Nations International Drug Control Programme (UNDCP) and General Assembly resolutions 46/185 C and 61/252.

2. The consolidated UNODC budget distinguishes between programme and programme support. While the maximum possible operational integration of the drug and crime programmes is aimed at, the related voluntary contributions are budgeted and accounted for separately under the Fund of UNDCP and the United Nations Crime Prevention and Criminal Justice Fund. Table 1 provides a summary overview of the proposed budget.

II. Strategic framework

3. The policy directions for UNODC are based on: (a) the international drug control conventions, the United Nations Convention against Transnational Organized Crime and the Protocols thereto (General Assembly resolution 55/25, annexes I-III, and resolution 55/255, annex), the United Nations Convention against Corruption (resolution 58/4, annex) and the universal legal instruments against terrorism in all its forms and manifestations; (b) the United Nations Millennium Declaration (resolution 55/2); (c) key resolutions of legislative organs, in particular General Assembly resolution 46/152, establishing the crime prevention and criminal justice programme, and resolutions 45/179 and 46/185 C on the drug control programme; (d) the twentieth special session of the General Assembly on countering the world drug problem; (e) the Vienna Declaration on Crime and Justice: Meeting the Challenges of the Twenty-first Century, adopted by the Tenth United Nations Congress on the Prevention of Crime and the Treatment of Offenders (Assembly resolution 55/59, annex), the related plans of action (resolution 56/261, annex) and the Bangkok Declaration on Synergies and Responses: Strategic Alliances in Crime Prevention and Criminal Justice, adopted by the Eleventh United Nations Congress on Crime Prevention and Criminal Justice (resolution 60/177, annex); (f) the recommendations resulting from the 2005 World Summit Outcome (resolution 60/1); and (g) the United Nations Global Counter-Terrorism Strategy (resolution 60/288).

4. In accordance with the strategic framework for the period 2008-2009 (A/61/6 (Prog. 13)), the three pillars of the work programme of UNODC are: (a) research and analytical work to increase knowledge and understanding of drug, crime and terrorism issues and to expand the evidence base for making policy and operational decisions; (b) normative work to assist States in the ratification and implementation of international treaties, the development of domestic legislation on drugs, crime and terrorism in all its forms and manifestations and the provision of secretariat and substantive services to the relevant treaty-based and governing bodies; and (c) field-based technical cooperation projects, upon request, to enhance the capacity of Member States to counteract illicit drugs, crime and terrorism.

Table 1
United Nations Office on Drugs and Crime: summary of the revised 2006-2007 budget and the outline of the 2008-2009 budget
 (Thousands of United States dollars)

Region/programme	Voluntary funds						Regular budget			Consolidated budget		
	Drug programme			Crime programme			UNODC (Sections 16 and 22)			UNODC		
	Revised budget 2006-2007	Outline 2008-2009	% change	Revised budget 2006-2007	Outline 2008-2009	% change	Appropriation 2006-2007	Proposed budget 2008-2009	% change	Revised budget 2006-2007	Outline 2008-2009	% change
	a	b	(b-a)/a	c	d	(d-c)/c	e	f	(f-e)/e	g=a+c+e	h=b+d+f	(h-g)/g
A. Programmes												
<i>By theme</i>												
1. Research, analysis and advocacy	14 225	14 337	1	414	704	70	5 320	6 375	20	19 959	21 416	7
2. Services for policymaking and treaty adherence	4 787	5 798	21	8 865	8 456	(5)	18 226	19 949	9	31 878	34 203	7
3. Technical assistance and advice	126 808	152 056	20	45 971	57 909	26	5 342	5 841	9	178 121	215 806	21
Total, A	145 820	172 191	18	55 250	67 069	21	28 888	32 165	11	229 958	271 425	18
<i>By region</i>												
Africa and the Middle East	15 239	18 826	24	22 242	32 262	45	-	-		37 481	51 088	36
South Asia, East Asia and the Pacific	22 387	23 457	5	2 778	1 961	(29)	-	-		25 165	25 418	1
West and Central Asia	37 278	43 341	16	11 919	11 285	(5)	-	-		49 197	54 626	11
Central and Eastern Europe	6 008	9 695	61	1 552	1 423	(8)	-	-		7 560	11 118	47
Latin America and the Caribbean	42 705	49 412	16	5 328	5 770	8	-	-		48 033	55 182	15
Global ^a	22 203	27 460	24	11 431	14 368	26	28 888	32 165	11	62 522	73 993	18
Total, A	145 820	172 191	18	55 250	67 069	21	28 888	32 165	11	229 958	271 425	18
B. Infrastructure (support)												
Field offices	14 935	15 707	5	4 982	5 480	10	-	-		19 917	21 187	6
Headquarters	21 306	21 306	-	2 765	2 903	5	4 462	4 538	2	28 533	28 747	1
Agencies	3 237	3 119	(4)	1 403	1 385	(1)	-	-		4 640	4 504	(3)
Total, B	39 478	40 132	2	9 150	9 768	7	4 462	4 538	2	53 090	54 438	3
Grand total (A+B)	185 298	212 323	15	64 400	76 837	19	33 350	36 703	10	283 048	325 863	15

^a Includes all core programmes and services for policymaking and treaty adherence at headquarters.

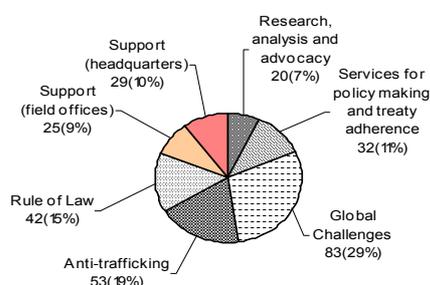
5. Globalization has created an environment where illicit drugs, crime and terrorism in all its forms and manifestations can flow easily across borders. The welfare gains to be derived from open trade and the flow of public goods are offset, however, by the globalization of threats to the survival, dignity and livelihood of individuals. The activities of UNODC are therefore designed to contribute to the achievement of security and justice for all: making the world safer from crime, drugs and terrorism. This vision is comprehensive and forward-looking and constitutes the framework for the medium-term strategy of UNODC (2008-2012), which will be considered by the Commission on Narcotic Drugs and the Commission on Crime Prevention and Criminal Justice at their respective current sessions. The strategy is based on extensive consultations with internal and external stakeholders and experts and aims at balancing comprehensiveness with selection. It is set against the need to clearly delineate the comparative advantage of the Office and set the stage for increased partnership with major players in related fields.

III. Programme of work

6. The programme of work is projected to increase by \$41.4 million (18 per cent) from \$230 million in 2006-2007 to \$271.4 million in 2008-2009. This expected growth reflects continued large increases in special-purpose (earmarked) voluntary contributions. The figure below provides a summary by theme of the revised 2006-2007 budget (totalling \$283.1 million: \$230 million for the programme of work and \$53.1 million for programme support) and the outline of the 2008-2009 budget (totalling \$325.9 million: \$271.4 million for the programme of work and \$54.4 million for programme support). Table 1 also provides this information by region and type of funding. The major changes projected for 2008-2009, as compared with the 2006-2007 revised budget, are described below. Explanations are also provided of the more significant changes between the initial and revised budgets for 2006-2007. Since total changes to the initial 2006-2007 budget do not exceed 3 per cent of approved appropriations, these are not presented in detail in the present report (as recommended by the Advisory Committee on Administrative and Budgetary Questions in its report of 26 February 2003 (E/CN.7/2003/16)). In accordance with the request of the Advisory Committee that UNODC carefully monitor changing geographical needs (see E/CN.7/2005/9), the narrative below is presented by region.

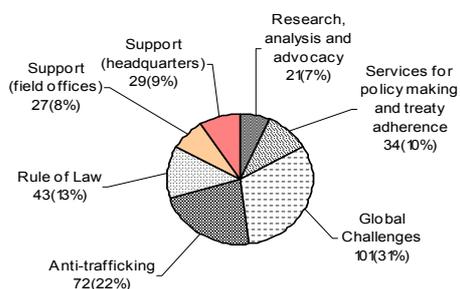
United Nations Office on Drugs and Crime: consolidated revised 2006-2007 budget and outline 2008-2009 budget, by theme (Millions of United States dollars)

A. 2006-2007



Item	Voluntary sources		Regular budget		Total	
	\$m	%	\$m	%	\$m	%
Drugs	185	100			185	100
Crime	64	100			64	100
Drugs and crime	-		33	100	33	100
UNODC	249	88	33	12	283	100

B. 2008-2009



Funding	Voluntary sources		Regular budget		Total	
	\$m	%	\$m	%	\$m	%
Drugs	212	100			212	100
Crime	77	100			77	100
Drugs and crime	-		37	100	37	100
UNODC	289	89	37	11	326	100
Increase ^a	16%		10%		15%	

^a Over 2006-2007 figures.

7. In *Africa and the Middle East*, a \$4.2 million (21 per cent) decline in the 2006-2007 revised budget of the Fund of UNDCP is due primarily to the non-receipt of expected funding for a large prevention and treatment project in the Libyan Arab Jamahiriya and for HIV/AIDS projects in East Africa. An increase of \$3.6 million (24 per cent) is projected for 2008-2009 in the programme of the Fund of UNDCP as a result of new counter-narcotics projects in Kenya and South Africa and new HIV/AIDS projects in Kenya. Increases are also expected for ongoing counter-narcotics projects in Qatar and the United Arab Emirates, for HIV/AIDS prevention in Cape Verde and for subregional scientific support activities. An increase of \$10 million (45 per cent) in the United Nations Crime Prevention and Criminal Justice Fund programme is projected for 2008-2009 in respect of criminal justice reform in the member States of the Southern African Development Community, in countries in post-conflict situations, in South Africa and in the Middle East. Increases are also expected for prison reform and initiatives stemming from the adoption of the Africa Programme of Action 2006-2010 and for activities to combat trafficking in persons and the smuggling of migrants in West and North Africa. Completion of the large anti-corruption project in Nigeria is also factored into this increase. Increased funding is expected from the European Commission, the United Nations Trust Fund for Human Security, the Joint United Nations Programme on HIV/AIDS (UNAIDS) and other donors.

8. In *South Asia, East Asia and the Pacific*, the 2006-2007 programme of the Fund of UNDCP increased by \$2.5 million (12 per cent). A further increase of \$1 million (5 per cent) is projected for 2008-2009. In Myanmar, sustainable livelihood programmes will increase by 60 per cent in the biennium 2008-2009. In Viet Nam, increases are expected in the areas of prevention, treatment and rehabilitation and counter-narcotics enforcement; increases in HIV/AIDS prevention projects in the countries of the South Asian Association for Regional Cooperation are also expected. Increased funding is expected from the European Commission, UNAIDS and other donors. The United Nations Crime Prevention and Criminal Justice Fund programme increased by \$0.2 million (5 per cent) in 2006-2007, but is projected to decrease by \$0.8 million (29 per cent) in 2008-2009. This decline reflects the completion in early 2008 of a project to combat trafficking in persons in India.

9. In *West and Central Asia*, the 2006-2007 budget of the Fund of UNDCP decreased by \$1.8 million (5 per cent) as a result of funding delays in the Islamic Republic of Iran and Pakistan. New partnerships, including with the World Bank, the European Commission, the OPEC Fund for International Development, the North Atlantic Treaty Organization and bilateral donors, are expected to result in an increase of \$6 million (16 per cent) in 2008-2009. The Afghanistan and Central Asia programmes may increase slightly and project portfolios in the Islamic Republic of Iran and Pakistan are set to increase by more than 100 per cent. Counter-narcotics enforcement projects, in particular in Afghanistan, the Islamic Republic of Iran and Pakistan, will focus, within the framework of the Paris Pact Initiative, on strengthening border controls, key maritime trafficking routes and precursor control projects. Drug abuse and demand reduction projects throughout the region will see expanded components to also address HIV/AIDS. Alternative development in Afghanistan will target provinces achieving significant cultivation reductions and eradication. The 2006-2007 United Nations Crime Prevention and Criminal Justice Fund budget increased by \$1.1 million (10 per cent), reflecting an expansion in prison and criminal justice reform activities in Afghanistan. A decrease of \$0.6 million (5 per cent) is projected for 2008-2009 as a result of the planned completion of a major prison system reform project in Afghanistan.

10. In *Central and Eastern Europe*, the 2006-2007 budget of the Fund of UNDCP increased by \$3.7 million (159 per cent) and a further increase of \$3.7 million (61 per cent) is projected for 2008-2009. These increases reflect the strong growth in HIV/AIDS prevention activities funded by the European Commission and the Netherlands throughout the region. Under counter-narcotics enforcement, regional training initiatives will also support new enforcement services of the Russian Federation and integrate CD-ROM enforcement training into relevant programmes of European and Russian agencies. The 2006-2007 United Nations Crime Prevention and Criminal Justice Fund budget increased by \$0.5 million (44 per cent) as a result of better implementation of initiatives to combat trafficking in persons in Moldova and Slovakia. With the completion of those projects, a decrease of \$0.1 million (8 per cent) is projected in 2008-2009.

11. In *Latin America and the Caribbean*, the 2006-2007 budget of the Fund of UNDCP increased by \$8.2 million (24 per cent) and a further increase of \$6.7 million (16 per cent) is projected in 2008-2009. These increases are funded through government cost-sharing, mainly for HIV/AIDS prevention in Brazil; sustainable livelihoods in Colombia, and prevention, treatment and rehabilitation in Mexico. The sustainable livelihoods programme in Bolivia will also increase, with funding from the United States Agency for International Development. A major counter-narcotics enforcement project is also envisaged in Brazil (to be funded by the Government). The 2006-2007 United Nations Crime Prevention and Criminal Justice Fund budget decreased by \$1.8 million (25 per cent) following the completion of a major anti-corruption programme in Brazil. This budget is expected to increase by \$0.5 million (8 per cent) in 2008-2009 owing to a new project to fight trafficking in persons in Mexico (to be funded by the Government).

12. With respect to *global activities*, the 2006-2007 budget of the Fund of UNDCP decreased by \$1.5 million (6 per cent) owing to delays in funding, but an increase of \$5.3 million (24 per cent) is projected for 2008-2009. Increased funding is expected from UNAIDS, which will finance the bulk of the projected increase in the Fund of

UNDCP in 2008-2009. Increases are also foreseen in the illicit crop monitoring programme. A new project aimed at improving data collection and reporting has been launched and will see an increased volume of activities in 2008-2009. The United Nations Crime Prevention and Criminal Justice Fund budget increased by \$4.4 million (62 per cent) in 2006-2007 and is expected to increase by a further \$3 million (26 per cent) in 2008-2009. These increases are mainly in the areas of terrorism prevention and work to halt corruption. Increases of \$3.4 million (11 per cent) are also requested for 2008-2009 under the regular budget. These requirements are explained in paragraph 18 below.

IV. Programme support

13. The programme support component of the budget comprises field office support costs and Vienna-based substantive backstopping and administrative services. In countries where UNODC does not have its own administrative capacity, support services are provided by other agencies, principally the United Nations Development Programme and the United Nations Office for Project Services, which are reimbursed for their support services with a share of the programme support earned by UNODC. Programme support budget requirements are projected to increase by \$1.3 million (3 per cent) from \$53.1 million in 2006-2007 to \$54.4 million in 2008-2009. Revised 2006-2007 and outline 2008-2009 programme support requirements are shown in table 1. The programme support budget of \$54.4 million for 2008-2009 assumes a decrease in expenditure against general-purpose (unearmarked) contributions of \$2.9 million (10 per cent) from \$29.2 million in 2006-2007 to \$26.3 million and an increase in expenditure against programme support cost income of \$4.2 million (22 per cent) from \$19.4 million in 2006-2007 to \$23.6 million. Regular budget resource levels are projected to remain unchanged at \$4.5 million. While a decrease of \$2.9 million in expenditure against general-purpose contributions is projected, it is hoped that the level of general-purpose contributions will at least remain constant, enabling an essential increase in operating reserves. The projected increase of \$4.2 million in expenditure against programme support cost income assumes a continued improvement in programme delivery. Of this increase, \$2.9 million will finance costs that would otherwise have had to be borne out of general-purpose funds and \$1.3 million will be used to strengthen field office support and backstopping. Further details are provided in tables 2 and 3 below.

14. In 2006-2007, the programme support budget of the Fund of UNDCP has been reduced by \$3 million (7 per cent), from \$42.5 million to \$39.5 million. The freezing of vacant posts and the imposition of travel restrictions has generated savings of \$1.4 million. More significantly, approximately \$6.6 million in support costs directly attributable to projects has been charged to those projects instead of to the programme support budget. The savings have been largely offset by approximately \$6 million in salary increases and exchange rate losses. Between \$1 million and \$2 million in additional savings are planned in 2007, including through the rationalization of field offices and the freezing of additional vacancies. In 2008-2009, programme support budget increases in the Fund of UNDCP of \$0.6 million (2 per cent), to \$40.1 million from \$39.5 million in 2006-2007, are foreseen as the minimum necessary to support the growing programme of work. The

2006-2007 programme support budget of the United Nations Crime Prevention and Criminal Justice Fund has also been revised downwards by \$1 million (10 per cent), from \$10.2 million to \$9.1 million, through the reassignment of support costs attributable directly to projects. In 2008-2009, United Nations Crime Prevention and Criminal Justice Fund programme support budget increases of \$0.7 million (8 per cent) to \$9.8 million, from \$9.1 million in 2006-2007, are foreseen in view of the fast growing programme of the Fund.

15. In its report on the previous outline submission, the Advisory Committee on Administrative and Budgetary Questions emphasized the need to monitor the ratio between the programme and support components to ensure that support costs were not increased to the detriment of expenditure on programmes. In this regard, the programme to support ratio for UNODC has improved from 75:25 in 2004-2005 to 81:19 in 2006-2007, and is projected to reach 83:17 in 2008-2009. This change is the result of implementation efficiencies, savings in programme support costs, the inclusion of appropriate direct support charges in project budgets and the sustained growth in programme delivery.

V. Financial position

A. Fund of the United Nations International Drug Control Programme

16. The financial position of the Fund of UNDCP is summarized in table 2 below. It is feared that general-purpose income will decline by \$5.7 million (17 per cent) to \$27.8 million in 2006-2007 from \$33.5 million in 2004-2005. As explained in paragraph 14 above, savings in the programme support budget (which is largely funded by general-purpose income) will reduce general-purpose expenditure in 2006-2007 by \$8.7 million (24 per cent) to \$27.6 million from \$36.3 million in 2004-2005. This will result, for the first time in many years, in a small surplus of \$0.2 million at the end of 2006-2007 as compared with the \$2.8 million shortfall recorded at the end of 2004-2005. This improvement notwithstanding, the operating reserve (cash balance) is projected to reach only \$6.6 million at the end of 2007: an amount that is insufficient to cover the projected annual requirement of \$13 million in 2008. The increases in 2008-2009 in programme support cost income referred to in paragraph 13 above should result in further reductions in general-purpose expenditures and enable the operating reserves of the Fund of UNDCP to be rebuilt to \$9.7 million by the end of 2009. This projection assumes the absence of unforeseen cost changes, no further declines in general-purpose contributions and continued increases in programme implementation.

Table 2
Fund of the United Nations International Drug Control Programme: financial position
 (Thousands of United States dollars)

Item	2004-2005 actual				2006-2007 revised budget				2008-2009 outline			
	General-purpose funds	Special-purpose funds	Pro-gramme support funds	Total	General-purpose funds	Special-purpose funds	Pro-gramme support funds	Total	General-purpose funds	Special-purpose funds	Pro-gramme support funds	Total
I. Funding												
A. Committed cash balances as at 1 January ^a	10 969	52 172	-	63 141	6 421	55 410	-	61 831	6 628	49 555	-	56 183
Total, A	10 969	52 172	-	63 141	6 421	55 410	-	61 831	6 628	49 555	-	56 183
B. Income												
Contributions	30 829	102 395	-	133 224	25 700	111 600	-	137 300	26 000	117 000	-	143 000
Cost-sharing	-	29 202	-	29 202	-	34 700	-	34 700	-	58 000	-	58 000
Public donations	-	3 679	-	3 679	-	2 800	-	2 800	-	2 800	-	2 800
Interest	2 615	887	-	3 502	2 250	2 300	-	4 550	2 000	2 400	-	4 400
Miscellaneous	31	(2 174)	-	(2 143)	150	150	-	300	200	200	-	400
Gross income	33 475	133 989	-	167 464	28 100	151 550	-	179 650	28 200	180 400	-	208 600
Programme support adjustment ^b	-	(13 206)	13 206	-	(272)	(14 199)	14 471	-	(211)	(17 021)	17 232	-
Refund to donors		(343)		(343)								
Total, B	33 475	120 440	13 206	167 121	27 828	137 351	14 471	179 650	27 989	163 379	17 232	208 600
Total I (A+B)	44 444	172 612	13 206	230 262	34 249	192 761	14 471	241 481	34 617	212 934	17 232	264 783
II. Expenditure												
A. Programme of work	4 174	117 300	-	121 474	2 614	143 206	-	145 820	2 029	170 162	-	172 191
Total, A	4 174	117 300	-	121 474	2 614	143 206	-	145 820	2 029	170 162	-	172 191
B. Programme support ^c	32 092	192	13 206	45 490	26 007	-	14 471	40 478	22 900	1 000	17 232	41 132
Cost reductions	-	-	-	-	(1 000)	-	-	(1 000)	-	(1 000)	-	(1 000)
Total, B	32 092	192	13 206	45 490	25 007	-	14 471	39 478	22 900	-	17 232	40 132
Total II (A+B)	36 266	117 492	13 206	166 964	27 621	143 206	14 471	185 298	24 929	170 162	17 232	212 323
III. Cash balances (I-II)^a	8 178	55 120	-	63 298	6 628	49 555	-	56 183	9 688	42 772	-	52 460
Prior period and other adjustments	(1 757)	290	-	(1 467)	-	-	-	-	-	-	-	-
Committed cash balances as at 31 December^a	6 421	55 410	-	61 831	6 628	49 555	-	56 183	9 688	42 772	-	52 460
IV. Contingency reserve	12 000	-	-	12 000	12 000	-	-	12 000	12 000	-	-	12 000

^a The general-purpose cash balance is an operating reserve as its use is not restricted, unlike special-purpose cash balances, whose use is restricted to earmarked activities.

^b Represents programme support recovery from projects.

^c Including agencies.

17. Special-purpose income increased by \$17 million (14 per cent) to \$137.4 million in 2006-2007 from \$120.4 million in 2004-2005 and is projected to grow by a further \$26 million (16 per cent) to \$163.4 million in 2008-2009. Most of these increases are expected to come from cost-sharing contributions from Brazil, Mexico and UNAIDS. The Netherlands has also pledged a substantial contribution for Central and Eastern Europe, while European Commission funding is steadily increasing across a wide range of projects. For the Fund of UNDCP, programme delivery grew by 19 per cent in 2004-2005 and is expected to grow by a further 20 per cent in 2006-2007. This trend is projected to continue in 2008-2009. With increased programme implementation, it is expected that the cash balance of \$50 million will be reduced to \$43 million by the end of 2009.

B. United Nations Crime Prevention and Criminal Justice Fund

18. The financial position of the United Nations Crime Prevention and Criminal Justice Fund is summarized in table 3 below. General-purpose income is expected to remain at approximately \$3.8 million in 2008-2009. The increases in 2008-2009 in programme support cost income referred to in paragraph 13 above should result in further reductions in general-purpose expenditures and make possible a small increase in the contingency reserve. This projection also assumes the absence of unforeseen cost changes, no further declines in general-purpose contributions and continued increases in programme implementation.

19. Special-purpose income is projected to decline in 2006-2007 by \$11.5 million (25 per cent) to \$34.6 million from \$46.1 million in 2004-2005. This decline results from unforeseen delays relating to the large anti-corruption programme in Nigeria. Total income is projected to increase by \$29.7 million (86 per cent) to \$64.3 million in 2008-2009. Some of that increase pertains to the project in Nigeria and to projects aimed at bringing the United Nations Convention against Corruption into operation. Increased cost-sharing contributions are also expected from Brazil, Cape Verde and Colombia. Traditional donor support to the United Nations Crime Prevention and Criminal Justice Fund programme is expected to remain stable in 2008-2009. For that Fund, programme delivery grew by 182 per cent in 2004-2005 and is expected to grow by a further 245 per cent in 2006-2007. Programme delivery is projected to continue to grow by 22 per cent in 2008-2009. With increased programme implementation, the cash balance will be reduced to \$24 million by the end of 2009 (from \$47 million at the start of 2006).

Table 3
United Nations Crime Prevention and Criminal Justice Fund: financial position
 (Thousands of United States dollars)

Item	2004-2005 actual				2006-2007 revised budget				2008-2009 outline			
	General-purpose funds	Special-purpose funds	Programme support funds	Total	General-purpose funds	Special-purpose funds	Programme support funds	Total	General-purpose funds	Special-purpose funds	Programme support funds	Total
I. Funding												
A. Committed cash balances as at 1 January ^a	3 402	16 536	1 130	21 068	4 583	47 202	-	51 785	3 369	26 588	-	29 957
Total, A	3 402	16 536	1 130	21 068	4 583	47 202	-	51 785	3 369	26 588	-	29 957
B. Income												
Contributions	2 492	49 562	-	52 054	3 276	36 817	-	40 093	3 300	60 000	-	63 300
Cost-sharing	-	-	-	-	-	1 814	-	1 814	-	7 700	-	7 700
Public donations	-	151	-	151	-	175	-	175	-	2 000	-	2 000
Interest	550	569	-	1 119	350	800	-	1 150	350	1 000	-	1 350
Miscellaneous	727	17	-	744	250	-	-	250	200	-	-	200
Gross income	3 769	50 299	-	54 068	3 876	39 606	-	43 482	3 850	70 700	-	74 550
Programme support adjustment ^b	-	(3 733)	3 733	-	-	(4 970)	4 970	-	-	(6 399)	6 399	-
Refund to donors		(451)		(451)								
Total, B	3 769	46 115	3 733	53 617	3 876	34 636	4 970	43 482	3 850	64 301	6 399	74 550
Total I (A+B)	7 171	62 651	4 863	74 685	8 459	81 838	4 970	95 267	7 219	90 889	6 399	104 507
II. Expenditure												
A. Programme of work	-	15 993	-	15 993	-	55 250	-	55 250	-	67 069	-	67 069
B. Programme support ^c	1 793	-	3 733	5 526	4 180	-	4 970	9 150	3 369	-	6 399	9 768
Total II (A+B)	1 793	15 993	3 733	21 519	4 180	55 250	4 970	64 400	3 369	67 069	6 399	76 837
III. Cash balances (I-II)^d	5 378	46 658	1 130	53 166	4 279	26 588	-	30 867	3 850	23 820	-	27 670
Prior period and other adjustments	(77)	544	-	467	-	-	-	-	-	-	-	-
Transfer to contingency reserve	(718)	-	(1 130)	(1 848)	(910)	-	-	(910)	-	-	-	-
Committed cash balances as at 31 December^a	4 583	47 202	-	51 785	3 369	26 588	-	29 957	3 850	23 820	-	27 670
IV. Contingency reserve	2 474	-	-	2 474	3 384	-	-	3 384	3 384	-	-	3 384

^a The general-purpose cash balance is an operating reserve as its use is not restricted, unlike special-purpose cash balances, whose use is restricted to earmarked activities.

^b Represents programme support recovery from projects.

^c Including agencies

C. Regular budget

20. In 2008-2009, in view of the strengthened mandates referred to in paragraph 3 above, the regular budget resources requested by UNODC for the biennium 2008-2009 under section 16 of the proposed programme budget of the Secretary-General amount to \$35 million, an increase of \$3 million (9 per cent). The increase is attributable to: (a) an increase of \$2 million for 18 new posts to be established under the programme of work: 7 posts under subprogramme 1 (1 P-5, 2 P-4, 2 P-3 and 2 P-2); 7 posts under subprogramme 2 (2 P-3 and 5 P-2) and 4 posts under subprogramme 3 (1 P-4 and 3 P-2); and (b) a net increase of \$1 million under non-post resources, mainly as a result of increased requirements under policymaking organs. Under section 22 of the proposed programme budget, an increase of 0.4 million (29 per cent) to \$1.7 million is requested for the biennium 2008-2009 under non-post resources (general temporary assistance, consultants, contractual services, grants and contributions).

21. Table 4 shows total regular budget resources requested by UNODC in the proposed programme budget for the biennium 2008-2009 (sections 16 and 22). It must be noted that these regular budget projections for 2008-2009 are based on the submissions of UNODC to the Office of Programme Planning, Budget and Accounts at Headquarters, which had not been reviewed at the time of the preparation of the present report.

Table 4

United Nations Office on Drugs and Crime: regular budget resources, 2004-2005, 2006-2007 and requirements 2008-2009
(Thousands of United States dollars)

Component	2004-2005 expenditure	2006-2007 appropriation	Resource growth		Total before recosting	2008-2009 estimate ^a
			Amount	Percentage		
A. Section 16						
Policymaking organs	1 461.8	1 182.1	378.9	32.1	1 561.0	
Executive direction and management	652.3	696.3	-	-	696.3	
Programme of work	27 191.2	29 164.4	2 573.4	8.8	31 737.8	
Programme support	971.7	965.6	12.0	1.2	977.6	
Total, section 16	30 277.0	32 008.4	2 964.3	9.4	34 972.7	
B. Section 22						
Programme of work	1 308.6	1 341.5	388.5	29.0	1 730.0	
Total, section 22	1 308.6	1 341.5	388.5	29.0	1 730.0	
Total, regular budget	31 585.6	33 349.9	3 352.8	10.1	36 702.7	

^a To be determined following review by the Office of Programme Planning, Budget and Accounts.

Annex

Draft resolutions

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

1. The proposed budget outline for the biennium 2008-2009 for the Fund of the United Nations International Drug Control Programme is covered in the report of the Executive Director of the United Nations Office on Drugs and Crime (UNODC) on the consolidated budget outline for the biennium 2008-2009 for UNODC (E/CN.7/2007/12), submitted in accordance with Commission on Narcotic Drugs resolution 13 (XXXVI) and article X of the Financial Rules of the Fund. The report of the Advisory Committee on Administrative and Budgetary Questions on the consolidated budget outline for 2008-2009 for UNODC is contained in document E/CN.7/2007/13.

2. The following draft resolution, to be recommended to the Commission on Narcotic Drugs for adoption, summarizes the main issues contained in the report of the Executive Director with regard to the budget of the Fund of the United Nations International Drug Control Programme:

Budget outline for the biennium 2008-2009 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 of the United Nations Office on Drugs and Crime on the outline of the proposed budget for the biennium 2008-2009 for the Fund of the United Nations International Drug Control Programme¹ and the related recommendations of the Advisory Committee on Administrative and Budgetary Questions,²

1. *Notes* that the budget outline is a preliminary estimate of resources;
2. *Decides* that the proposed consolidated budget for the biennium 2008-2009 shall contain provisions for recosting on the basis of the existing methodology;
3. *Agrees* with the following preliminary indicative estimates for the proposed consolidated budget for the biennium 2008-2009:

¹ E/CN.7/2007/12.

² E/CN.7/2007/13.

<i>Item</i>	<i>United States dollars</i>
A. Programmes	
By theme	
1. Research, analysis and advocacy	14 337 000
2. Services for policymaking and treaty adherence	5 798 000
3. Technical assistance and advice	152 056 000
Total, A	172 191 000
By region	
Africa and the Middle East	18 826 000
South Asia, East Asia and the Pacific	23 457 000
West and Central Asia	43 341 000
Central and Eastern Europe	9 695 000
Latin America and the Caribbean	49 412 000
Global ^a	27 460 000
Total, A	172 191 000
B. Infrastructure	
Field offices	15 707 000
Headquarters	21 306 000
Agencies	3 119 000
Total, B	40 132 000
Grand total (A+B)	212 323 000

^a Includes all core programmes at headquarters.

4. *Requests* the Executive Director to submit a proposed consolidated budget for the biennium 2008-2009 based on the above figures at revised rates of exchange and inflation.

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

1. The proposed budget outline for the biennium 2008-2009 for the United Nations Crime Prevention and Criminal Justice Fund is covered in the report of the Executive Director of UNODC on the consolidated budget outline for the biennium 2008-2009 for UNODC (E/CN.15/2007/15), submitted in accordance with paragraph 1 of part XI of General Assembly resolution 61/252 of 22 December 2006. The report of the Advisory Committee on Administrative and Budgetary Questions on the consolidated budget outline for 2008-2009 for UNODC is contained in document E/CN.15/2007/16.

2. The following draft resolution, to be recommended to the Commission on Crime Prevention and Criminal Justice for adoption, summarizes the main issues contained in the report of the Executive Director with regard to the budget of the United Nations Crime Prevention and Criminal Justice Fund:

Budget outline for the biennium 2008-2009 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 of the United Nations Office on Drugs and Crime on the outline of the proposed budget for the biennium 2008-2009 for the United Nations Crime Prevention and Criminal Justice Fund³ and the related recommendations of the Advisory Committee on Administrative and Budgetary Questions,⁴

1. *Notes* that the budget outline is a preliminary estimate of resources;
2. *Decides* that the proposed consolidated budget for the biennium 2008-2009 shall contain provisions for recosting on the basis of the existing methodology;
3. *Agrees* with the following preliminary indicative estimates for the proposed consolidated budget for the biennium 2008-2009:

<i>Item</i>	<i>United States dollars</i>
A. Programmes	
<i>By theme</i>	
1. Research, analysis and advocacy	704 000
2. Services for policymaking and treaty adherence	8 456 000
3. Technical assistance and advice	57 909 000
Total, A	67 069 000
<i>By region</i>	
Africa and the Middle East	32 262 000
South Asia, East Asia and the Pacific	1 961 000
West and Central Asia	11 285 000
Central and Eastern Europe	1 423 000
Latin America and the Caribbean	5 770 000
Global ^a	14 368 000
Total, A	67 069 000
B. Infrastructure	
Field offices	5 480 000
Headquarters	2 903 000
Agencies	1 385 000
Total, B	9 768 000
Grand total (A+B)	76 837 000

^a Includes all core programmes at headquarters.

³ E/CN.15/2007/15.

⁴ E/CN.15/2007/16.

4. *Requests* the Executive Director to submit a proposed consolidated budget for the biennium 2008-2009 based on the above figures at revised rates of exchange and inflation.
