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Consolidated budget for the biennium 2006-2007 for the United Nations Office on Drugs and Crime

Report of the Executive Director

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Foreword

The present consolidated budget contains a retrospective examination of resources required in 2004-2005 and a programme outline that looks forward to resource requirements in 2006-2007. The United Nations Office on Drugs and Crime (UNODC) is experiencing growth in both its mandates and financial resources, especially with regard to the Organization's crime prevention and anti-corruption efforts—an indication of increasing regard by Member States for our work.

Over the last years, UNODC funding has become significantly more diversified, with more countries entering into larger cost-sharing arrangements, increased United Nations agency support and the emergence of promising partnerships with foundations. The growth in voluntary income between 2002-2003 and 2004-2005 was 8 per cent on the drug control side and income has enjoyed a nearly threefold increase on the crime prevention side.

Over the past two years, UNODC has gone to considerable efforts to demonstrate the ways its core issues—drugs, crime and corruption—cut across portfolios of other United Nations entities and funds and often intersect with the efforts of other organizations to support peace, security and development around the world. In 2004, we hosted the United Nations System Chief Executives Board for Coordination and through the combined efforts of the United Nations system, including contributions by the World Bank and the International Monetary Fund, we have been able to leverage our resources in ways that are allowing us to curb transnational organized crime. Later the same year, in the report prepared by the Secretary-General's High-level Panel on Threats, Challenges and Change, entitled "A more secure world: our shared responsibility" organized crime and terrorism, issues at the core of the UNODC mission, were cited as pivotal action items.

In the Secretary-General's 2005 report, entitled "In larger freedom: towards development, security and human rights for all" the six main threats to society were clearly outlined. Two of those threats, transnational organized crime and terrorism, again ensure that our mission ranks high on the list of United Nations priorities. UNODC stands ready to respond to these challenges.

UNODC will continue to forge new partnerships with United Nations entities and funds, international financial institutions, Governments and the private sector to mobilize the necessary support and resources we need to support our mandates. One example, outlined in a recent UNODC study entitled *Crime and Development in Africa*, offers insight into the ways crime in Africa subverts the continent's political, economic and social systems. The study also explains how and why crime continues to be a serious impediment to development in Africa. In September 2005, a Round Table for Africa, convened in Nigeria, produced a Programme of Action, 2006-2010, designed to strengthen the rule of law and improve Africa's judicial systems; UNODC intends to continue its support for that Programme and to assist States in implementing its recommendations.

UNODC will also continue to support the ratification of the five drug control and crime prevention conventions, as well as the 13 universal instruments related to terrorism. If Member States reach a conclusive agreement on a comprehensive

convention on international terrorism, UNODC will offer any assistance needed to Member States who ratify the instrument.

In the 2005 World Summit Outcome document, adopted at the High-level Plenary Meeting of the sixtieth session of the General Assembly on the follow-up to the outcome of the Millennium Summit, the Assembly resolved to strengthen the capacity of UNODC to provide assistance to Member States. With the entry into force of both the United Nations Convention against Transnational Organized Crime and its three Protocols and the United Nations Convention against Corruption, UNODC continues to work towards the realization of a world based on the rule of law. To that end, UNODC intends to offer active support to the work of the Rule of Law Assistance Unit of the Secretariat.

Antonio Maria Costa

I. Introduction

1. The present report contains the consolidated budget for all activities of the United Nations Office on Drugs and Crime (UNODC) carried out in 2004-2005 and those planned for 2006-2007. At the same time, 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), the report is intended to enable the Commission to review and endorse the final budget for 2004-2005 and the initial budget for 2006-2007 of the Fund of UNDCP.

2. The aim of UNODC in 2006-2007 will be to continue to promote the rule of law and justice for all, increasing knowledge and understanding of the combined threats of drugs, crime and terrorism and to build the capacity of government institutions and civil society to address those threats. The Office's actions will be taken in the context of achieving sustainable development, since those threats have a direct impact on the ability of States to reach that goal. Progress on these issues to date provides an excellent basis on which to proceed: UNODC can be said to be "five in five" in the sense that the Office will have shepherded two crime conventions and three protocols into existence over a five-year period (the United Nations Convention against Transnational Organized Crime and its protocols, the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, the Protocol against the Smuggling of Migrants by Land, Air and Sea (General Assembly resolution 55/25, annexes I-III, respectively) and the Protocol against the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition (resolution 55/255, annex); and the United Nations Convention against Corruption (resolution 58/4, annex)). The Office continues to support the full implementation of the three drug control conventions, which are now approaching universal adherence.

3. UNODC addresses several global threats within the framework of the rule of law and through its sustainable livelihood strategies. Key areas of intervention in all geographical regions will include improving the performance of criminal justice systems and promoting reform in relation to specific issues such as the special needs of women and children; strengthening national capacities to prevent corruption and money-laundering; assisting countries to integrate counter-narcotics and sustainable livelihood objectives into wider national, bilateral and multilateral development programmes; as well as countering drug abuse (including related HIV/AIDS among youth and other vulnerable groups), strengthening drug interdiction and border control capacity and that of countering trafficking in persons and smuggling of migrants, and promoting ratification and implementation of the United Nations instruments related to terrorism.

4. In 2006-2007, UNODC will continue to develop systems and tools to collect, analyse and disseminate data and information on the nature and extent of the world's drug and crime problems. That work will focus on maintaining and improving existing instruments, such as the surveys of the *Illicit Crop Monitoring Programme*, the collection and analysis of responses to the *annual reports questionnaire* and to the *United Nations Survey on Crime Trends and the Operation of Criminal Justice Systems*, and the publication of high-quality reports (including the UNODC flagship *World Reports*), as well as on creating new data collection and

analysis tools to cover areas not adequately dealt with at present. UNODC will continue to provide scientific and technical support and advisory services to Member States, upon request, to try and ensure that drugs can be identified and analysed and that national forensic laboratories and other scientific institutions can provide the required expert services to domestic drug and crime control efforts.

5. UNODC will reinforce its independent evaluation function by continuing thematic evaluations and more individual project evaluations, in particular in the field. The strategic planning function will be developed further and utilized to articulate strategic priorities for UNODC within the framework of guidance provided by the governing bodies. Evaluation and strategic planning will inform improvements that the Office will make in its project cycle and result-based budgeting and management, aligning international conventions, mandates, strategy, priorities and programme/project/work plans and resources. Given its reliance on voluntary funding, UNODC will maintain, further develop or seek new partnerships and inter-agency cooperation agreements in areas of common interest. To achieve a more sustainable funding basis for infrastructure and core programmes, UNODC will engage in a more strategic partnership with selected key donors; enlarge the base of governmental contributions from non-major donor countries; diversify its resource base through non-traditional donors; cooperate with international financial institutions; and maintain an effective mechanism for dialogue with key financial stakeholders.

6. The Office will continue to work with Governments, international and non-governmental organizations and civil society groups to promote and enhance efforts to reduce drug abuse, crime and terrorism worldwide. Activities will include the production of engaging and informative public information materials and public service announcements aimed at raising awareness about issues such as drug abuse, corruption, human trafficking and HIV/AIDS.

7. In Africa, the Programme of Action (2006-2010), approved at the Africa Round Table held in September 2005, will provide a framework for operational interventions aimed at promoting the rule of law in support of enhanced security and development. Specific initiatives in the region will include assistance to government institutions and civil society groups to remedy drug abuse and related HIV/AIDS; the strengthening of counter-narcotics activities, notably in Cape Verde; the extension of criminal justice reform programmes; and the improvement of Nigerian national capacity to fight corruption and financial crime. In West and Central Asia and Eastern Europe, opium eradication and support to sustainable livelihood programmes in Afghanistan, enforcement action and related justice reform and the fight against corruption in the entire region will remain the priorities. UNODC will therefore support effective cross-border cooperation, notably by strengthening the Paris Pact initiative (see S/2003/641) and the Central Asian Regional Information and Coordination Centre. Besides, the Office will continue to support the provision of drug abuse and HIV/AIDS prevention and will provide integrated responses to the growing issue of HIV/AIDS infections among intravenous drug users. In Latin America and the Caribbean, sustainable livelihood schemes will remain the single most important thrust of the Andean programme. UNODC will also provide support in the area of the rule of law, including assistance to law enforcement and criminal justice reform, but also innovative crime prevention programmes, in order to meet the challenges posed by drug trafficking, corruption, money-laundering, trafficking

in firearms and urban security problems. In East Asia and the Pacific, sustainable livelihood projects and programmes will be continued in opium-poppy-growing areas in order to maintain the remarkable declines in opium poppy cultivation in the Lao People's Democratic Republic and Myanmar. In addition, emphasis will be placed on the prevention of drug abuse and HIV transmission. Work to combat human trafficking will also be central to efforts in the Lao People's Democratic Republic, Myanmar and Viet Nam. Finally, the Office will focus on enhancing the capacity of and cooperation among countries of the region to reduce trafficking in precursor chemicals and amphetamine-type stimulants.

8. A consolidated financial summary is contained in table 1 below. The highlights of the current financial position and budgetary requirements for 2006-2007 may be summarized as follows:

(a) Total income has grown by \$41.6 million (22 per cent), from \$190.4 million in 2002-2003 to \$232 million in 2004-2005. It is projected to increase by another \$6.6 million (3 per cent) in 2006-2007;

(b) Most of the income growth is in voluntary contributions to the crime programme, which increased by \$23.9 million (162 per cent, from \$14.7 million in 2002-2003 to \$38.6 million in 2004-2005. It is expected to increase by another \$13 million (34 per cent) in 2006-2007;

(c) Only 14 per cent of total income is from assessments on Member States under the regular budget and is thus predictable. The balance, 86 per cent, consists of voluntary contributions, mainly for projects;

(d) The share of special-purpose (earmarked) voluntary income is increasing, from 68 per cent of total income in 2002-2003 to a projected 73 per cent in 2006-2007. While that trend reflects increased confidence in the funding of programmes, it also leaves insufficient core (unearmarked) funds to sustain an adequate infrastructure;

(e) In the voluntarily funded budgets, while the drug programme is expected to remain stable, with a 7 per cent nominal growth for 2006-2007, the crime programme is projected to grow by 98 per cent. In 2004-2005 expenditure under the crime programme will increase by over 300 per cent compared with 2002-2003. The growth in the crime programme is based on increased mandates and funding for new and larger projects;

(f) The expenditure ratio between programmes (substantive work) and infrastructure (support activities) is improving, rising from 76:24 in 2002-2003 to 77:23 in 2004-2005 to a projected 79:21 ratio in 2006-2007. This reflects better utilization of infrastructure in executing programmes;

(g) Cash balances at the start of each year are committed to cover expenditure in the first half since income is received mainly in the second half of each year. The relatively high level of past balances, however, is expected to drop as total expenditure of \$233.2 million will exceed total income of \$232 million by \$1.2 million in 2004-2005. In 2006-2007, expenditure is projected to further exceed income by \$36.8 million, thereby reducing the average cash balance from 40 per cent of total expenditure in 2002-2003 to 20 per cent in 2006-2007;

(h) While adequate funds are available to continue programmes, the core fund balance for the drug programme is insufficient at under \$8 million to cover the annual core fund expenditure of \$15 million per annum. Since most core fund income is received in the second half of each year on a voluntary basis, the core fund balance needs to be substantially rebuilt to honour staff contracts and other operational commitments at the start of each year;

(i) The decline in core fund income has been offset in part by timely identification of cost savings, rationalization of expenditure between infrastructure and programmes and an equitable redistribution of infrastructure costs between the drug and crime programmes to make possible a more balanced budget.

Table 1

Consolidated financial summary, 2002-2007

(Millions of United States dollars)

	<i>2002-2003 actual</i>		<i>2004-2005 final budget</i>		<i>2006-2007 initial budget</i>	
	<i>% share</i>		<i>% share</i>		<i>% share</i>	
I. Funding						
A. Committed cash balances as at 1 January	61.1		78.3		74.7	
B. Income						
Special-purpose funds (earmarked)	128.9	68	162.1	70	173.1	73
Core funds (unearmarked)	35.0	18	37.7	16	33.3	14
Regular budget	26.5	14	32.2	14	32.2	13
Total, B	190.4	100	232.0	100	238.6	100
Total I (A+B)	251.5		310.3		313.3	
II. Expenditure						
Programmes (programme budget)	131.3	76	179.2	77	218.3	79
Infrastructure (support budget)	41.9	24	54.0	23	57.1	21
Total II	173.2	100	233.2	100	275.4	100
III. Cash balances (I-II)	78.3		77.1		37.9	
Contingencies			(1.1)		-	
Transfer to reserve			(1.3)		-	
Committed cash balances as at 31 December	78.3		74.7		37.9	
IV. Operational reserve	12.0		13.3		13.3	

9. The consolidated budget is presented in section II, while the separate voluntarily funded budgets of the drug and crime programmes are shown in sections III and IV, respectively. Under the regular budget, both the drug and crime programmes are now combined into one budget, which is presented in section V. A programme performance and planning report on the substantive work for which these resources are deployed is presented in annex II to the addendum to the present report (E/CN.7/2005/12/Add.1). Other budgetary details are also included as annexes to the addendum.

II. Consolidated budget

A. Budget concept and terminology

10. The budget distinguishes between its programme and support elements, which enables a comparison, based on the ratio of these two fundamentals, of how efficiently resources provided by Member States are deployed. The programme budget is represented by region and theme within a strategic framework using a result-based approach. The support budget is represented by the infrastructure needed to execute the programme of work.

11. The following terms are used in the present report:

(a) “Programmes (programme budget)”. This consists of core programmes and normative work, which cover mandated, ongoing activities with a global focus; and the technical cooperation programme, which covers mandated activities carried out under discrete time-bound projects with a global, regional or country-specific focus;

(b) “Infrastructure (support budget)”. This consists of programme support comprising the field office network and units at headquarters that directly implement or back-stop the programme of work; and management and administration offices at headquarters responsible for the executive direction, management and administration of the drug and crime programmes;

(c) “Agencies (support budget)”. This consists of third parties, such as other United Nations bodies, non-governmental organizations and Governments that implement projects, or parts thereof, for which UNODC has overall executing responsibility.

12. Without an adequate infrastructure UNODC cannot carry out its programme of work. Therefore, the infrastructure needs to be maintained, for which a predictable level of assured core funds, both from the United Nations regular budget and from unearmarked, voluntary sources (“core funds”), are required. Technical cooperation projects are funded from voluntary contributions earmarked to them (“special-purpose funds”). The term “consolidated budget” refers to the combined budgets of the drug and crime programmes. The budgets of the Fund of UNDCP and the United Nations Crime Prevention and Criminal Justice Fund are financed by voluntary funds only. The regular budget is based on the assessed contributions of Member States determined by the General Assembly and covers both the drug and crime programmes.

B. Income

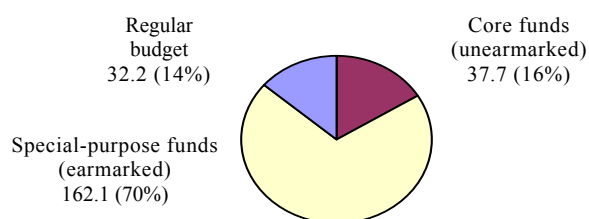
13. Income projections for 2006-2007 from voluntary contributions are based on past and current trends as well as indications from donors. Given the inherent uncertainty involved, income is projected under two scenarios—a base scenario and a high scenario (see figure I). The proposed budget is predicated on the base scenario. A 12 per cent decrease in core funding is assumed and several cost-containment and cost-saving measures are reflected in the budget to offset that decrease. On the other hand, several new and large projects in the crime programme

are starting to attract increased special-purpose funds, which accounts for the substantial increases in income projected under the crime fund for 2006-2007. It also reflects the fund-raising thrust of the Office initiated in the previous biennium to increase the donor base through co-financing from sources other than traditional donors.

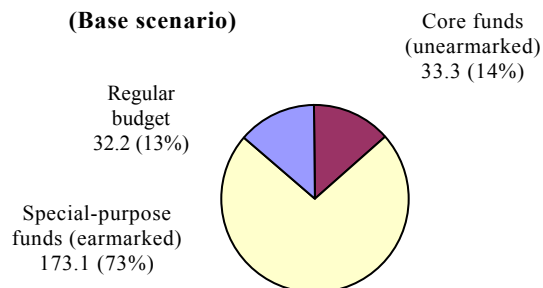
Figure I

Income projections by type of funding, 2004-2005 and 2006-2007

(Millions of United States dollars)

A. 2004-2005
(2004 actual and 2005 estimate)

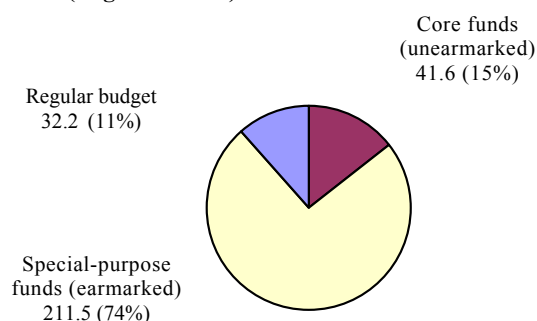
	<i>Core funds</i>		<i>Special-purpose funds</i>		<i>Total voluntary contributions</i>		<i>Regular budget (drugs and crime)</i>		<i>Total</i>	
<i>Funding</i>	<i>%</i>		<i>%</i>		<i>%</i>		<i>%</i>		<i>%</i>	
Drugs	33.6	21	127.6	79	161.2	100				
Crime	4.1	11	34.5	89	38.6	100				
UNODC	37.7	16	162.1	70	199.8	86	32.2	14	232.0	100

B. 2006-2007^a
(Base scenario)

	<i>Core funds</i>		<i>Special-purpose funds</i>		<i>Total voluntary contributions</i>		<i>Regular budget</i>		<i>Total</i>	
<i>Funding</i>	<i>%</i>		<i>%</i>		<i>%</i>		<i>%</i>		<i>%</i>	
Drugs	28.6	18	126.3	82	154.9	100				
Crime	4.7	9	46.8	91	51.5	100				
UNODC	33.3	14	173.1	73	206.4	87	32.2	13	238.6	100
	12%		7%		3%		0%		3%	

^a The figures below the table show the percentage changes during 2006-2007 from the levels of 2004-2005.

C. 2006-2007^a
(High scenario)



	Core funds		Special-purpose funds		Total voluntary contributions		Regular budget		Total	
<i>Funding</i>	%		%		%		%		%	
Drugs	35.7	19	155.4	81	191.1	100				
Crime	5.9	10	56.1	90	62.0	100				
UNODC	41.6	15	211.5	74	253.1	89	32.2	11	285.3	100
	10%		30%		27%		0%		23%	

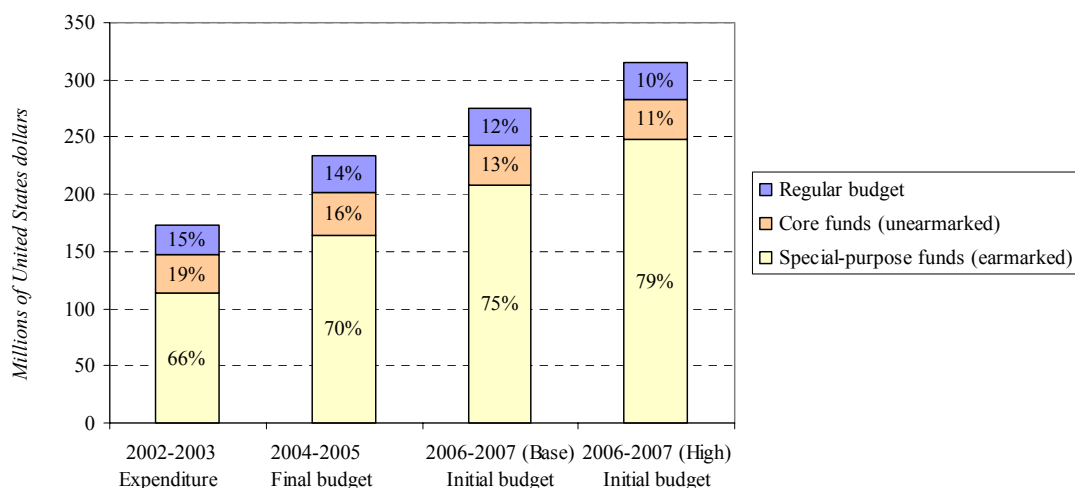
^a The figures below the table show the percentage changes during 2006-2007 from the levels of 2004-2005.

C. Budget and expenditure

14. Budget trends over 2002-2007 show an increasing dependency on special-purpose funds, underlining the unpredictability of the funding base. The expenditure share of regular budget and core funds shrinks from 15 per cent and 19 per cent, respectively, in 2002-2003 to only 12 per cent and 13 per cent, respectively, in 2006-2007 (see figure II). The final budget for 2004-2005 is based on actual expenditure for the first 18 months and estimated expenditure for the last 6 months of the biennium. The \$60 million (35 per cent) increase over 2002-2003 consists of \$30.2 million in the voluntarily funded budget of the drug programme, \$24.1 million in the voluntarily funded budget of the crime programme and \$5.7 million in the regular budget for the drug and crime programmes. Those increases reflect both improved programme implementation as well as new and larger projects in progress, especially under the crime programme. For 2006-2007, growth in expenditure is projected to slow down to 18 per cent under the base scenario, reflecting mainly continued growth in the crime programme as major new projects, especially in Afghanistan, Brazil and Nigeria, are implemented. All the budgetary increases are in special-purpose funds, with the regular budget remaining on a real zero-growth basis. The base scenario budget projections are made on the basis of a *rigorous project-by-project analysis*, which takes into account the ongoing and future project portfolio, implementation feasibility and, most importantly, as realistic as possible voluntary funding prospects. It would be possible to improve growth, as shown under the high scenario, provided additional funds materialized

for both priority unfunded projects as well as for commensurately smaller increases in supporting infrastructure.

Figure II
Consolidated budget and expenditure, 2002-2007
(Millions of United States dollars)



<i>Funding source</i>	<i>2002-2003 expenditure</i>	<i>2004-2005 final budget</i>	<i>2006-2007 (base) initial budget</i>	<i>2006-2007 (high) initial budget</i>
Special-purpose funds (earmarked)	113.7	164.1	208.1	247.9
Core funds (unearmarked)	33.0	36.9	35.1	35.1
Regular budget	26.5	32.2	32.2	32.2
UNODC	173.2	233.2	275.4	315.2
Percentage changes over the previous biennium		35	18	35

D. Regional and thematic framework

15. The budget is structured in accordance with programme 13 of the biennial programme plan and priorities for the period 2006-2007,¹ as approved by the General Assembly in its resolution 59/275 of 23 December 2004. The work programme is budgeted under its three pillars, namely, research, analysis and advocacy; services for policymaking and treaty adherence; and technical assistance and advice. In terms of resource distribution, the budget distinguishes between programme and support requirements. It is important to note that, while the planned programme takes into account activities cutting across both the drug and crime areas, UNODC's legislative bodies require that voluntary resources continue to be budgeted and accounted for under the two separate voluntary funds for drugs and crime. Table 2 provides an overview of budgetary requirements by subprogramme and region, while table 3 provides an overview by theme.

Table 2
United Nations Office on Drugs and Crime: final 2004-2005 and initial 2006-2007 budgets
(Thousands of United States dollars)

Region/programme	Voluntary funds						Regular budget			Consolidated budget		
	Drug programme			Crime programme			Drug and crime programmes			UNODC		
	2004-2005	2006-2007	% change	2004-2005	2006-2007	% change	2004-2005	2006-2007	% change	2004-2005	2006-2007	% change
	a	b	(b-a)/a	c	d	(d-c)/d	e	f	(f-e)/f	g(a+c+e)	h(b+d+f)	(h-g)/h
A. Programmes												
<i>By strategic framework</i>												
1. Research, analysis and advocacy	12 244	13 439	10	-	620		5 044	5 255	4	17 288	19 314	12
2. Services for policymaking and treaty adherence	4 046	4 697	16	4 160	5 245	26	17 897	17 398	(3)	26 103	27 340	5
3. Technical assistance and advice	108 266	120 792	12	22 740	45 814	101	4 755	5 047	6	135 761	171 653	26
Total, A	124 556	138 928	12	26 900	51 679	92	27 696	27 700	0	179 152	218 307	22
<i>By region</i>												
Africa and the Middle East	12 898	19 363	50	6 171	22 914	271	-	-		19 069	42 277	122
South Asia, East Asia and the Pacific	21 025	19 927	(5)	1 614	2 657	65	-	-		22 639	22 584	(0)
West and Central Asia	32 127	39 131	22	6 542	10 841	66	-	-		38 669	49 972	29
Central and Eastern Europe	3 389	2 316	(32)	784	1 077	37	-	-		4 173	3 393	(19)
Latin America and the Caribbean	36 586	34 540	(6)	2 754	7 136	159	-	-		39 340	41 676	6
Global	3 714	6 932	87	4 341	1 703	(61)	-	-		8 055	8 635	7
Core programmes	14 817	16 719	13	4 694	5 351	14	15 649	16 148	3	35 160	38 218	9
Services for policymaking and treaty adherence: headquarters ^a	-	-		-	-		12 047	11 552	(4)	12 047	11 552	(4)
Total, A	124 556	138 928	12	26 900	51 679	92	27 696	27 700	0	179 152	218 307	22

Region/programme	Voluntary funds						Regular budget			Consolidated budget		
	Drug programme			Crime programme			Drug and crime programmes			UNODC		
	2004-2005	2006-2007	% change	2004-2005	2006-2007	% change	2004-2005	2006-2007	% change	2004-2005	2006-2007	% change
	a	b	(b-a)/a	c	d	(d-c)/d	e	f	(f-e)/f	g(a+c+e)	h(b+d+f)	(h-g)/h
B. Infrastructure												
Field offices	20 399	16 343	(20)	1 987	6 632	234	-	-		22 386	22 975	3
Headquarters	20 634	22 093	7	1 605	2 410	50	4 538	4 465	(2)	26 777	28 968	8
Agencies	4 070	4 010	(1)	793	1 136	43	-	-		4 863	5 146	6
Total, B	45 103	42 446	(6)	4 385	10 178	132	4 538	4 465	(2)	54 026	57 089	6
Grand total (A+B)	169 659	181 374	7	31 285	61 857	98	32 234	32 165	(0)	233 178	275 396	18

^a Services for policymaking and treaty adherence are provided mainly by the Division for Treaty Affairs, consisting of the Treaty and Legal Affairs Branch, the Terrorism Prevention Branch and the secretariats of the Commission on Narcotic Drugs, the Commission on Crime Prevention and Criminal Justice and the International Narcotics Control Board.

Table 3
United Nations Office on Drugs and Crime: final 2004-2005 and initial 2006-2007 budgets, by theme
(Thousands of United States dollars)

Theme/programme	Voluntary funds						Regular budget			Consolidated budget		
	Drug programme			Crime programme			Drug and crime programmes			UNODC		
	2004-2005	2006-2007	% change	2004-2005	2006-2007	% change	2004-2005	2006-2007	% change	2004-2005	2006-2007	% change
	<i>a</i>	<i>b</i>	<i>(b-a)/a</i>	<i>c</i>	<i>d</i>	<i>(d-c)/d</i>	<i>e</i>	<i>f</i>	<i>(f-e)/f</i>	<i>g(a+c+e)</i>	<i>h(b+d+f)</i>	<i>(h-g)/h</i>
A. Programmes												
1. Research, analysis and advocacy												
(a) Research and trend analysis	3 127	3 864	24	-	620		2 170	2 499	15	5 297	6 983	32
(b) Illicit drug crop monitoring	6 780	7 540	11	-	-		-	-		6 780	7 540	11
(c) Laboratory and scientific services	1 244	1 181	(5)	-	-		1 561	1 471	(6)	2 805	2 652	(5)
(d) Advocacy	1 093	854	(22)	-	-		1 313	1 285	(2)	2 406	2 139	(11)
Total, A.1	12 244	13 439	10	-	620		5 044	5 255	4	17 288	19 314	12
2. Services for policymaking and treaty adherence												
(a) Legal advisory services	1 950	2 214	14	-	-		3 784	3 775	(0)	5 734	5 989	4
(b) Terrorism prevention work	-	-		4 160	5 245	26	1 877	1 897	1	6 037	7 142	18
(c) Services for policymaking and treaty adherence: headquarters ^a	-	-		-	-		12 047	11 552	(4)	12 047	11 552	(4)
(d) Information technology services	2 096	2 483	18	-	-		189	174	(8)	2 285	2 657	16
Total, A.2	4 046	4 697	16	4 160	5 245	26	17 897	17 398	(3)	26 103	27 340	5
3. Technical assistance and advice												
(a) Global challenges												
(i) HIV/AIDS	17 045	18 706	10	-	-		-	-		17 045	18 706	10

Theme/programme	Voluntary funds						Regular budget			Consolidated budget		
	Drug programme			Crime programme			Drug and crime programmes			UNODC		
	2004-2005	2006-2007	% change	2004-2005	2006-2007	% change	2004-2005	2006-2007	% change	2004-2005	2006-2007	% change
	a	b	(b-a)/a	c	d	(d-c)/d	e	f	(f-e)/f	g(a+c+e)	h(b+d+f)	(h-g)/h
(ii) Prevention, treatment and rehabilitation	19 704	23 383	19	-	-		-	-		19 704	23 383	19
(iii) Crime prevention	-	-		800	3 119	290	-	-		800	3 119	290
(iv) Sustainable livelihoods	22 865	21 103	(8)	-	-		-	-		22 865	21 103	(8)
Subtotal, 3 (a)	56 614	63 192	6	800	3 119	290	1 379^b	1 404^b	2	61 793	67 715	10
(b) Action against trafficking												
(i) Counter-narcotics enforcement	44 483	50 906	14	-	-		-	-		44 483	50 906	14
(ii) Action against organized crime	-	-		2 148	2 822	31	-	-		2 148	2 822	31
(iii) Action against human trafficking	-	-		4 316	7 668	78	-	-		4 316	7 668	78
Subtotal, 3 (b)	44 483	50 906	14	6 464	10 490	62	1 532^b	1 619^b	6	52 479	63 015	20
(c) Rule of law												
(i) Action against corruption	-	-		6 742	21 005	212	-	-		6 742	21 005	212
(ii) Action against money-laundering	4 169	6 694	61	-	-		-	-		4 169	6 694	61
(iii) Criminal justice reform	-	-		8 734	11 200	28	-	-		8 734	11 200	28
Subtotal, 3 (c)	4 169	6 694	61	15 476	32 205	108	1 844^b	2 024^b	10	21 489	40 923	90
Total, A.3	108 266	120 792	12	22 740	45 814	101	4 755	5 047	6	135 761	171 653	26
Total, A	124 556	138 928	12	26 900	51 679	92	27 696	27 700	0	179 152	218 307	22

Theme/programme	Voluntary funds						Regular budget			Consolidated budget		
	Drug programme			Crime programme			Drug and crime programmes			UNODC		
	2004-2005	2006-2007	% change	2004-2005	2006-2007	% change	2004-2005	2006-2007	% change	2004-2005	2006-2007	% change
	a	b	(b-a)/a	c	d	(d-c)/d	e	f	(f-e)/f	g(a+c+e)	h(b+d+f)	(h-g)/h
B. Infrastructure												
Field offices	20 399	16 343	(20)	1 987	6 632	234	-	-		22 386	22 975	3
Headquarters	20 634	22 093	7	1 605	2 410	50	4 538	4 465	(2)	26 777	28 968	8
Agencies	4 070	4 010	(1)	793	1 136	43	-	-		4 863	5 146	6
Total, B	45 103	42 446	(6)	4 385	10 178	132	4 538	4 465	(2)	54 026	57 089	6
Grand total (A+B)	169 659	181 374	7	31 285	61 857	98	32 234	32 165	(0)	233 178	275 396	18

^a Services for policymaking and treaty adherence are provided mainly by the Division for Treaty Affairs, consisting of the Treaty and Legal Affairs Branch, the Terrorism Prevention Branch and the secretariats of the Commission on Narcotic Drugs, the Commission on Crime Prevention and Criminal Justice and the International Narcotics Control Board.

^b The regular budget is allocated to the main themes of the technical assistance and advice programme.

16. The major changes described below, by theme within each region, are planned for 2006-2007 as compared with 2004-2005.

17. For *Africa and the Middle East*, the increase of \$6.5 million, or 50 per cent, in the drug programme includes new counter-narcotics projects in Cape Verde (\$3.9 million) and Nigeria (\$0.8 million). Both countries will fund these projects through cost sharing contributions. New projects to prevent HIV/AIDS are planned for East Africa (\$1.2 million) and West Africa (\$0.7 million). The increase of \$16.7 million, or 271 per cent, in the crime programme results from implementation of a large anti-corruption programme in Nigeria funded by the European Commission.

18. For *South Asia, East Asia and the Pacific*, the decrease of \$1.1 million, or 5 per cent, in the drug programme mainly reflects the lack of funding for sustainable livelihood projects in the Lao People's Democratic Republic and Myanmar. The increase of \$1.1 million, or 65 per cent, in the crime programme represents an increase in the planned implementation of ongoing projects in terrorism prevention and work to combat human trafficking.

19. In *West and Central Asia*, the increase of \$7 million, or 22 per cent, in the drug programme mainly reflects new projects in counter-narcotics enforcement in Afghanistan, the Islamic Republic of Iran and the Central Asian republics. The increase of \$4.3 million, or 66 per cent, in the crime programme reflects ongoing and new projects in Afghanistan in criminal justice reform, as well as new anti-crime activities in neighbouring countries.

20. Regarding *Central and Eastern Europe*, the decrease of \$1.1 million, or 32 per cent, in the drug programme reflects the severe funding shortfall for the region despite the fact that a solid programme for extension of ongoing or new drug projects exists. The increase of \$0.3 million, or 37 per cent, in the crime programme reflects a new project to fight organized crime in Serbia and Montenegro.

21. For *Latin America and the Caribbean*, the drug programme is expected to stay stable at around \$35 million. In the crime programme, however, an increase of \$4.4 million, or 159 per cent, is planned for 2006-2007 in crime prevention and projects to combat corruption and human trafficking in Brazil, funded mainly by cost-sharing contributions. New initiatives against organized crime in Colombia, Mexico, Peru and the Common Market of the Southern Cone (MERCOSUR) are also planned with funding from cost-sharing and private sector sources.

22. For *global activities*, the increase of \$3.2 million, or 87 per cent, in the drug programme represents planned growth in the Illicit Crop Monitoring Programme, the *World Drug Report*, research and policy development in demand reduction and in the development of the substantive module of the Programme and Financial Information Management System (ProFi)—a project linked directly to programmes. The decrease of \$2.6 million, or 61 per cent, in the crime programme represents the completion of ongoing projects to combat organized crime and support criminal justice reform.

III. Fund of the United Nations International Drug Control Programme

A. Financial overview

23. While special-purpose income was stable at \$128 million in 2004-2005, programme expenditure increased by \$21 million (20 per cent), from \$104 million in 2002-2003 to \$125 million. Owing to improved programme implementation, a further \$14 million increase (12 per cent) is projected for 2006-2007 over 2004-2005. The net result will be a substantial reduction in the relatively high special-purpose fund balances of the past.

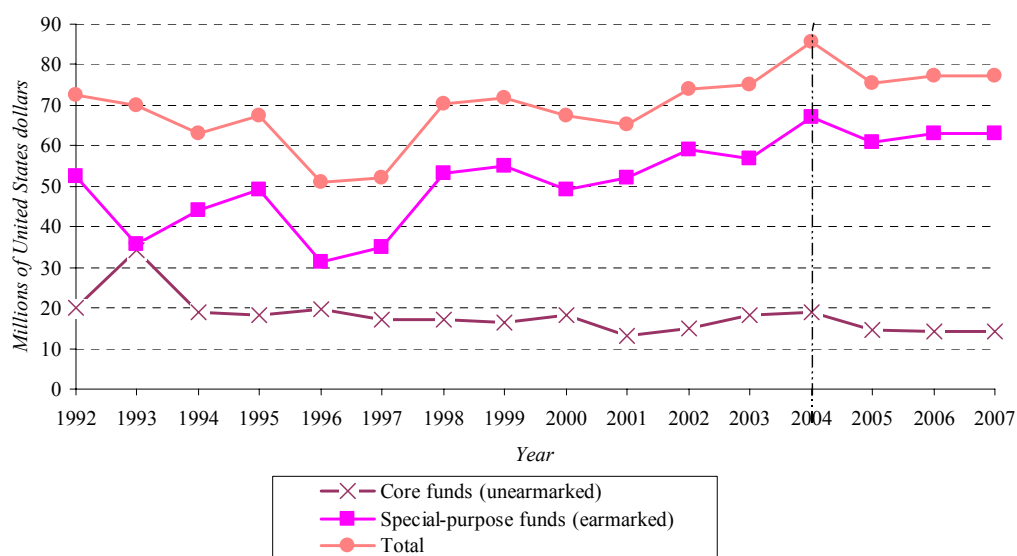
24. Core fund income is projected to decrease by \$5 million (15 per cent), from \$33.6 million in 2004-2005 to \$28.6 million in 2006-2007. Core fund expenditure is also budgeted to decrease by \$6.6 million (19 per cent), from \$35.6 million in 2004-2005 to \$29 million in 2006-2007, through the cost reduction and fund rationalization measures described in paragraphs 27-37 below. In 2006-2007, therefore, an unprecedentedly low core fund budget of \$14.5 million per annum is proposed. By way of comparison, the annual core fund income for the 14 years, from 1992 to 2005, was \$18.6 million and the ratio between earmarked funds and unearmarked funds was 73:27. For 2006-2007, it will be 82:18 (see figure III, which shows the income trends of the Fund of UNDCP).

25. Despite the cost control measures under way, the core fund balance will decrease to under \$8 million by the end of 2005 and is unlikely to increase in 2006-2007 because of the decline in core fund income. Given that monthly core fund outflow is \$1.2 million and that, for the first half of 2006 alone, \$6 million will be required to enable payment of salaries, a key assumption is that even the projected low level of core fund income must be assured and that moneys are received as early as possible in 2006. Alternatively, the core fund balance needs to be rebuilt through additional contributions to around \$15 million in order to cover at least one year's expenditure.

Figure III
Fund of the United Nations International Drug Control Programme: voluntary income, 1992-2007
 (Millions of United States dollars)

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005 ^a	2006 ^a	2007 ^a
Core funds (unearmarked)	20.2	34.3	19.0	18.3	19.7	17.2	17.1	16.5	18.1	13.2	15.0	18.4	18.8	14.7	14.3	14.3
Special-purpose funds (earmarked)	52.3	35.8	44.1	49.1	31.3	34.8	53.2	55.1	49.2	52.2	59.1	56.8	66.9	60.7	63.1	63.1
Total	72.5	70.1	63.1	67.4	51.0	52.0	70.3	71.6	67.3	65.4	74.1	75.2	85.7	75.4	77.4	77.4

^a Estimates.



26. In order to maintain a minimum core fund cash balance of around \$8 million a number of measures are being taken, as described below.

1. Proposals to shift expenditures away from core funds

27. *Field office costs up to 10 per cent* of annual project allocations will be borne by projects. This is the case in seven field offices: Afghanistan, Bolivia, Brazil, Egypt, Nigeria, Lao People's Democratic Republic and Central Asia are in this category. About \$0.5 million in 2004-2005 and \$1.1 million in 2006-2007 can thus be shifted from core to special-purpose funding. To avoid double counting, the infrastructure costs charged to projects will be net of programme support charges. The effect of this measure is shown under the item "Fund rationalization" in table 4.

28. Of the costs for field office premises (\$1.5 million annually), \$0.6 million arise in middle-income countries, namely Brazil, Colombia, Egypt, the Islamic Republic of Iran, the Russian Federation, South Africa and Thailand. Discussions have been initiated with those countries with a view to obtaining national funding for that purpose.

29. Where the costs related to premises of field offices, excluding those mentioned in paragraph 27 above, are 10 per cent or less of current project portfolios, they will be charged directly to projects. In 2004-2005 this will result in the shift of about \$0.3 million and in 2006-2007 of about \$0.6 million from core funds to projects. Should host countries pay for such premises, however, as mentioned in paragraph 28, the amount charged to projects would be reduced accordingly. The effect of this measure is also shown under the item "Fund rationalization" in table 4.

Table 4

Fund of the United Nations International Drug Control Programme: financial summary, 2002-2007

(Thousands of United States dollars)

Item	2002-2003 actual	2004-2005 final budget			2006-2007 initial budget		
	Total	Core funds	Special- purpose funds	Total	Core funds	Special- purpose funds	Total
I. Funding							
A. Committed cash balances as at 1 January	53 421	10 969	52 172	63 141	7 809	45 776	53 585
B. Income							
Contributions	112 425	31 150	96 267	127 417	27 400	84 300	111 700
Cost-sharing	30 980	-	25 701	25 701	-	34 350	34 350
Public donations	2 480	-	4 736	4 736	-	6 620	6 620
Interest	5 050	1 600	949	2 549	1 000	1 000	2 000
Miscellaneous	1 130	800	-	800	200	-	200
Gross income	152 065	33 550	127 653	161 203	28 600	126 270	154 870
Refund to donors	(2 809)						
Total, B	149 256	33 550	127 653	161 203	28 600	126 270	154 870
Total I (A+B)	202 677	44 519	179 825	224 344	36 409	172 046	208 455

	2002-2003 actual	2004-2005 final budget			2006-2007 initial budget		
Item	Total	Core funds	Special- purpose funds	Total	Core funds	Special- purpose funds	Total
II. Expenditure							
A. Programmes (programme budget)	102 296	5 203	119 353	124 556	2 144	136 784	138 928
Prior period adjustments	1 628			-			-
Total, A	103 924	5 203	119 353	124 556	2 144	136 784	138 928
B. Infrastructure (support budget) ^a	35 612	31 607	13 896	45 503	29 540	13 906	43 446
Fund rationalization		(800)	800	-	(1 700)	1 700	-
Cost reductions		(400)		(400)	(1 000)		(1 000)
Total, B	35 612	30 407	14 696	45 103	26 840	15 606	42 446
Total II (A+B)	139 536	35 610	134 049	169 659	28 984	152 390	181 374
III. Cash balances (I-II)	63 141	8 909	45 776	54 685	7 425	19 656	27 081
Contingencies ^b	-	(1 100)	-	(1,100)	-	-	-
Committed cash balances as at 31 December	63 141	7 809	45 776	53 585	7 425	19 656	27 081
IV. Operational reserve	12 000	12 000	-	12 000	12 000	-	12 000

^a Includes agencies.

^b A contingency provision is made against possible non-payment of outstanding pledges for projects under European Commission verification and against exchange rate losses on funds advanced by the United Nations Development Programme for the United Nations Office on Drugs and Crime projects executed by Governments.

30. In all field offices, the share of *crime control activities* in the portfolio is increasing. The resulting costs will be paid from crime project-related programme support charges and from the crime programme's core funds. Based on workload estimates, about \$1.3 million of crime, instead of drug, core funds are allocated to field office infrastructure budgets for 2004-2005 and \$5.8 million in 2006-2007, when the share of work on crime-related activities is projected to increase substantially.

31. Core funding of the programme budget is projected to decrease by \$3.1 million (60 per cent), from \$5.2 million in 2004-2005 to \$2.1 million in 2006-2007, on the assumption that most core programmes will attract even more earmarked funds.

32. At headquarters, *global programmes* with some posts currently paid for from core funds should in the future be able to finance those posts, provided they remain within authorized staffing levels, from earmarked funds. It is estimated that those global programmes are likely to attract sufficient earmarked funds for this purpose in 2006-2007.

33. As a matter of policy, an appropriate portion of each new *project budget* will be earmarked for the respective field office's infrastructure. By applying such a percentage against each project budget, it will be possible to make field offices largely independent of core fund subsidies in the future.

2. Cost reduction measures

34. The potential savings from *opening of bank accounts* independent of the United Nations Development Programme (UNDP) to approximately \$0.4 million in 2004-2005 and \$0.8 million in 2006-2007. The procedure is being implemented following a successful pilot run in the Regional Office for Central Asia in early 2005. Related savings will be made in the regional offices for Central Asia, South Asia, South-East Asia and the Pacific, the Middle East and East Africa initially.

35. The *closing of some field offices* whose infrastructure costs comprise 35 per cent or more of current project portfolios could result in savings of about \$0.2 million in 2006.

36. Serious consideration will be given to the reclassification of field offices as project offices and to repositioning of UNODC staff in UNDP and other agencies' offices to represent UNODC interests and carry out the work programme. While these measures may not result in direct budgetary savings, they should enhance efficiency and effectiveness.

37. Various cost avoidance and containment measures have been put in place, such as an increasingly paperless office, through automation, energy savings at headquarters, economies in travel costs and improved reporting and cheaper communications through information technology enhancements.

B. Final budget, 2004-2005

38. The final budget for 2004-2005 amounts to \$170 million, representing a decrease of \$17.4 million, or 9.3 per cent, over the initial budget (see table 5). Budget changes are broken down into volume or real changes measured using initial budget values and cost changes arising from exchange rates, salary and other inflation factors during the biennium. There is an overall volume decrease of \$26.7 million, or 14.2 per cent, and cost changes of \$9.3 million, or 5 per cent, compared with the initial budget.

Table 5

Fund of the United Nations International Drug Control Programme: resource requirements, 2004-2005

(Thousands of United States dollars)

	Initial budget	Changes		Final budget
		Volume	Cost	
Programme budget				
Technical cooperation programme	131 768	(27 080)	5 051	109 739
Core programme	15 106	(932)	643	14 817
Total, programme budget	146 874	(28 012)	5 694	124 556
Support budget				
Infrastructure	35 909	1 836	3 687	41 432
Agency support costs	4 640	(570)	-	4 070
Total, support budget	40 549	1 266	3 687	45 502
Grand total	187 423	(26 746)	9 381	170 058

1. Programme budget

(a) Technical cooperation programme

39. The final programme budget consists of actual expenditure for 18 months and estimates for the remaining 6 months of 2005. For the technical cooperation programme there is a programme delivery rate of 83.3 per cent against the initial budget, which is an improvement over the biennium 2002-2003, when the implementation rate was 80.5 per cent. Further details of volume and cost changes by region and theme are provided in annex IV to the addendum to this report (E/CN.7/2005/12/Add.1).

(b) Core programme

40. The final core programme budget amounts to \$14.8 million, representing an implementation rate of 98 per cent compared with the initial budget. There is a reduction of one Professional post and five General Service posts, which are being transferred to the infrastructure budget. Further details of volume and cost changes are provided in annex IV to document E/CN.7/2005/12/Add.1.

2. Infrastructure

41. The final budget for infrastructure for 2004-2005 amounts to \$41.4 million, representing an increase of \$5.5 million over the initial budget. There is a volume increase of \$1.8 million, or 5 per cent, and cost changes of \$3.7 million, or 10.3 per cent.

42. The higher expenditure is accounted for as follows:

(a) Above all, *salary increases*, decided by the General Assembly after the budget was prepared, of \$2.4 million (which includes increases in both the salary scale and the post adjustment multiplier);

(b) Other operating costs and contingencies have also increased by \$1.3 million, as a result, on the one hand, of the weakening of the United States dollar, the main currency of UNODC income, vis-à-vis the euro, its main currency of expenditure, and, on the other, of inflation;

(c) Additional UNDP *fees* (\$1 million (estimate));

(d) Strengthening *field offices* (\$0.5 million);

(e) Other net volume changes (\$0.3 million).

43. It should be noted that, except for the strengthening of field offices, all other factors contributing to higher expenditure were largely outside the control of the UNODC management. Agency support costs are lower in volume terms in line with the decrease in programme budget volume. Further details of volume and cost changes, including changes in the staffing tables, are provided in annexes IV, V and VI to document E/CN.7/2005/12/Add.1.

C. Initial budget, 2006-2007

44. The initial budget for 2006-2007 amounts to \$182.4 million, representing an increase of \$12.3 million, or 7.2 per cent, over the final budget for 2004-2005 (see table 6). There is a total volume increase of \$5.2 million, or 3 per cent, and costing changes of \$7.1 million, or 4.2 per cent, compared with the final budget for 2004-2005.

Table 6

Fund of the United Nations International Drug Control Programme: resource requirements, 2006-2007

(Thousands of United States dollars)

<i>Item</i>	<i>2004-2005</i>	<i>Volume changes</i>	<i>Costing changes</i>	<i>2006-2007</i>
<i>Programme budget</i>				
Technical cooperation programme	109 739	6 480	5 990	122 209
Core programmes	14 817	1 419	483	16 719
Total, programme budget	124 556	7 899	6 473	138 928
<i>Support budget</i>				
Infrastructure	41 432	(2 595)	599	39 436
Agency support costs	4 070	(60)	-	4 010
Total, support budget	45 502	(2 655)	599	43 446
Grand total	170 058	5 244	7 072	182 374

1. Programme budget

(a) Technical cooperation programme

45. The main programme objectives, expected achievements and achievement indicators for 2006-2007 are explained in annex II to document E/CN.7/2005/12/Add.1.

46. The total technical cooperation budget of \$122.2 million reflects an increase over the expenditure estimates for 2004-2005 of \$12.5 million, or 11.4 per cent. There is a total volume increase of \$6.5 million, or 5.9 per cent, and costing increases of \$6.0 million or 5.5 per cent. Further details of volume and costing changes by region and theme are provided in annex IV, table 12, to document E/CN.7/2005/12/Add.1.

(b) Core programmes

47. The initial core programme budget amounts to \$16.7 million, representing an increase of \$1.9 million, or 12.8 per cent, compared with the final budget for 2004-2005. There is a total volume increase of \$1.4 million, or 9.4 per cent, and costing increases of \$0.5 million or 3.4 per cent. No change in the post requirements is proposed. Details are provided in annex IV to document E/CN.7/2005/12/Add.1.

2. Infrastructure

48. The initial infrastructure budget for 2006-2007 of \$39.4 million represents a decrease of \$2.0 million, or 4.8 per cent, over 2004-2005. There is a volume

decrease of \$2.6 million, or 6.3 per cent, compared with the previous biennium, and costing increases of \$0.6 million, or 1.5 per cent. The budget will support programme budget activities that, for 2006-2007, are estimated at \$138.9 million.

49. With regard to resource requirements and changes, compared with 2004-2005, there is at headquarters a volume increase of \$0.6 million in management and administration and an increase of \$0.2 million for programme support, for a total increase at headquarters of \$0.8 million. There is a decrease of \$3.4 million in the volume of support at the country level, resulting in a total volume decrease of \$2.6 million for infrastructure. Table 7 provides summary information by organizational unit and expenditure category. Further details of volume and cost changes, including changes in the staffing tables, are provided in annexes IV, VII and VIII to document E/CN.7/2005/12/Add.1.

Table 7

**Fund of the United Nations International Drug Control Programme:
infrastructure resource requirements, 2006-2007**
(Thousands of United States dollars)

	2004-2005	Volume changes	Costing changes	2006-2007
A. Field office network				
Africa and the Middle East	4 992	(708)	99	4 383
Central and Eastern Europe, West and Central Asia	4 627	(690)	14	3 951
South Asia	775	(119)	12	668
East Asia and the Pacific	4 344	(769)	17	3 592
Latin America and the Caribbean	6 061	(1 130)	(182)	4 749
Total, field offices	20 799	(3 416)	(40)	17 343
B. Programme support, headquarters	9 727	200	177	10 104
Total, programme support	30 526	(3 216)	137	27 447
C. Management and administration	10 906	620	463	11 989
Grand total	41 432	(2 596)	600	39 436

IV. United Nations Crime Prevention and Criminal Justice Fund

50. Income increased by \$23.9 million (163 per cent) from \$14.7 million in 2002-2003 to \$38.6 million in 2004-2005. It is projected to increase by another \$12.8 million (33 per cent) in 2006-2007 (see table 8). Most of the increase reflects funding of major new projects, especially in Afghanistan, Brazil and Nigeria.

51. Expenditure in the crime programme is projected to grow by 98 per cent in 2006-2007 compared with 2004-2005. This would be after an over 300 per cent expenditure increase in 2004-2005 compared with 2002-2003 (see table 8). The growth in the crime programme is based on increased mandates carried out through new and larger projects attracting sufficient funding. Since the growth in expenditure is projected to be higher than the increase in income, the net result will be a substantial reduction in the relatively high special-purpose fund balances of the past.

Table 8
**United Nations Crime Prevention and Criminal Justice Fund: financial
summary, 2002-2007**
(Thousands of United States dollars)

Item	2002-2003 actual	2004-2005 final budget			2006-2007 initial budget		
	Total	Core funds	Special- purpose funds	Total	Core funds	Special- purpose funds	Total
I. Funding							
A. Committed cash balances as at 1 January	7 653	3 663	11 450	15 113	5 159	15 913	21 072
B. Income							
Contributions	13 821	2 649	32 739	35 388	4 074	39 331	43 405
Cost-sharing	-	-	918	918	-	6 650	6 650
Public donations	-	-	-	-	-	-	-
Interest	818	435	847	1 282	400	800	1 200
Miscellaneous	30	1 000	-	1 000	200	-	200
Total, B	14 669	4 084	34 504	38 588	4 674	46 781	51 455
Total I (A+B)	22 322	7 747	45 954	53 701	9 833	62 694	72 527
II. Expenditure							
Programmes (programme budget)	5 511	-	26 900	26 900	-	51 679	51 679
Infrastructure (support budget) ^a	1 698	1 244	3 141	4 385	6 082	4 096	10 178
Total II	7 209	1 244	30 041	31 285	6 082	55 775	61 857
III. Cash balances (I-II)	15 113	6 503	15 913	22 416	3 751	6 919	10 670
Transfer to reserve ^b		(1 344)	-	(1 344)			
Committed cash balances as at 31 December	15 113	5 159	15 913	21 072	3 751	6 919	10 670
IV. Operational reserve	5 686	1 344	5 686	7 030	1 344	5 686	7 030

^a Includes agencies.

^b As per the United Nations Financial Rules, crime programme contingencies under core funds are 15 per cent of 2005 allotments, that is, \$230,096, and revaluation gains of \$1,113,685, which need to be reserved against possible future losses.

V. Regular programme budget

52. The main expected accomplishments and indicators of achievement of the programme for 2006-2007 are described in the proposed programme budget for the biennium 2006-2007 (A/60/6 (Sect. 16)) together with the required resources.

53. The resources proposed for the biennium 2006-2007 under section 16 amount to \$30.8 million, a decrease of \$69,400 (or 0.2 per cent at 2004-2005 rates) from the biennium 2004-2005. The decrease is due mainly to the one-time provision of resources in 2004-2005 for the Eleventh United Nations Congress on Crime Prevention and Criminal Justice, held in Bangkok in April 2005. Table 9 shows total resources proposed for UNODC in the Secretary-General's proposed programme budget for the biennium 2006-2007 in budget sections 16 and 22 (regular programme of technical cooperation (A/60/6 (Sect. 22))).

Table 9

United Nations Office on Drugs and Crime: regular budget resource requirements, 2002-2003, 2004-2005 and 2006-2007^a

(Thousands of United States dollars)

Component	2002-2003 expenditure	2004-2005 appropriation	Resource growth		Total before recosting	Recosting	2006-2007 estimate
			Amount	Percentage			
A. Section 16							
Policymaking organs	1 046	1 641	(508)	(31)	1 133	58	1 191
Executive direction and management	1 709	711	(11)	(2)	700	48	748
Programme of work	21 362	27 259	762	3	28 021	2 063	30 084
Programme support	955	1 299	(312)	(24)	987	34	1 021
Total, section 16	25 072	30 910	(69)	(0)	30 841	2 203	33 044
B. Section 22							
Programme of work	1 416	1 324			1 323	50	1 373
Total, section 21	1 416	1 324			1 323	50	1 373
Total, regular budget	26 488	32 234	(69)	(0)	32 164	2 253	34 417

^a The total amount (before recosting), namely, \$32,164,000, is included in the consolidated budget of the United Nations Office on Drugs and Crime for 2006-2007 as it is a fairer comparator than the 2004-2005 appropriation.

Notes

¹ *Official Records of the General Assembly, Fifty-ninth Session, Supplement No. 6 (A/59/6/Rev.1).*