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**Commission on Narcotic Drugs****Reconvened fifty-ninth session**

Vienna, 30 November-2 December 2016

Agenda item 3

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

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

Vienna, 1 and 2 December 2016

Agenda item 3 (b)

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

**Implementation of the consolidated budget for the biennium 2016-2017 for the United Nations Office on Drugs and Crime****Report of the Executive Director***Summary*

The present report identifies adjustments to the consolidated budget for the biennium 2016-2017 for the United Nations Office on Drugs and Crime (UNODC) ([E/CN.7/2015/17-E/CN.15/2015/20](#)) and provides information on the implementation of the funding model of the Office, as requested by the Commission on Narcotic Drugs in its resolution 58/12 and by the Commission on Crime Prevention and Criminal Justice in its resolution 24/3.

For UNODC as a whole, the consolidated special-purpose funds budget is revised to \$513.3 million, reflecting more prudent delivery estimates; this amount corresponds to a decrease of \$37.3 million vis-à-vis the aggregate amount of \$550.6 million endorsed by the Commissions in their resolutions 58/12 and 24/3. The estimates for programme support cost funds are reduced by \$1 million to a total of \$45.0 million, reflecting a balanced budget based on an equivalent income projection. The amount approved for general-purpose funds is being maintained at \$9.6 million.

For the Fund of the United Nations International Drug Control Programme, the Commission on Narcotic Drugs is requested to endorse revised estimates for special-purpose funds totalling \$213,207,700, reflecting a decrease of \$48,042,200 vis-à-vis the amount endorsed by it in its resolution 58/12. The Commission is also requested to endorse revised estimates for programme support cost funds of \$22,653,900 (a decrease of \$819,800) and approve revised estimates for general-purpose funds of \$6,968,900 (maintenance level).



For the United Nations Crime Prevention and Criminal Justice Fund, the Commission on Crime Prevention and Criminal Justice is requested to endorse revised estimates for special-purpose funds totalling \$300,097,800, reflecting an increase of \$10,728,000 vis-à-vis the amount endorsed by it in its resolution 24/3. The Commission is also requested to endorse revised estimates for programme support cost funds of \$22,387,600 (a decrease of \$121,300) and approve revised estimates for general-purpose funds of \$2,618,400 (maintenance level).

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## I. Introduction

1. The Commission on Narcotic Drugs, at its reconvened fifty-eighth session, adopted resolution 58/12, entitled “Budget for the biennium 2016-2017 for the Fund of the United Nations International Drug Control Programme”, in which it approved the projected use of general-purpose funds in the biennium 2016-2017 for the Fund of the United Nations International Drug Control Programme. The Commission on Crime Prevention and Criminal Justice, at its reconvened twenty-fourth session, adopted resolution 24/3, entitled “Budget for the biennium 2016-2017 for the United Nations Crime Prevention and Criminal Justice Fund”, in which it approved the projected use of general-purpose funds in the biennium 2016-2017 for the United Nations Crime Prevention and Criminal Justice Fund.
2. In accordance with General Assembly resolutions 46/185 C and 61/252, section XI, the budget of the programme of the Funds (general-purpose funds) is presented to the Commissions for approval. The budgets for special-purpose funds and the related administrative and programme support cost budget (programme support cost funds) are presented to the Commissions for endorsement.
3. General-purpose funds are unearmarked voluntary contributions that are provided to finance normative work, limited core programmatic functions not funded by the regular budget, research, United Nations Office on Drugs and Crime (UNODC) corporate initiatives and programmatic shortfalls.
4. Special-purpose funds are earmarked voluntary contributions that are provided to finance technical cooperation and other substantive activities at headquarters (Vienna) and in the field. Programme support cost is the charge incurred in support of programme delivery financed from voluntary contributions. These costs are capped at 13 per cent, in accordance with General Assembly resolution 35/217, and are utilized for indirect support in the following categories: central administration, central programme/departmental administration, other internal and externally provided services, and programme/departmental programme services.
5. The primary purpose of the present report is to inform Member States about the status of implementation and related adjustments to the consolidated budget for the biennium 2016-2017. The report also includes updates on improvement initiatives, which include full-cost-recovery, Umoja and the International Public Sector Accounting Standards (IPSAS). An overview of the revised estimates for the biennium 2016-2017 is presented in tables 1 and 2. Information on performance by theme, region and division is provided in annex I.
6. The present report does not provide information on the adjustments to the funding of UNODC from the regular budget of the United Nations, as that information will be presented in the first performance report on the programme budget for the biennium 2016-2017 for approval by the General Assembly in December 2016.

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

7. Table 1 presents a summary of mid-biennium projections.

Table 1

### Summary of revised estimates for the biennium 2016-2017

(Millions of United States dollars)

	<i>General-purpose funds</i>		<i>Special-purpose funds</i>		<i>Programme support cost funds for UNODC</i>	
	<i>Approved budget</i>	<i>Revised estimates</i>	<i>Approved budget</i>	<i>Revised estimates</i>	<i>Approved budget</i>	<i>Revised estimates</i>
Fund balance at start of biennium	12.6	2.1	451.5	447.7	25.0	3.2
A. Income <sup>a</sup>	10.5	10.3	519.0 <sup>b</sup>	475.1 <sup>b</sup>	48.2 <sup>c</sup>	45.0 <sup>c</sup>
B. Expenditure	(9.6)	(9.6)	(550.6) <sup>b</sup>	(513.3) <sup>b</sup>	(46.0)	(45.0)
<b>Excess (shortfall) (A+B)</b>	<b>0.9</b>	<b>0.7</b>	<b>(31.7)</b>	<b>(38.2)</b>	<b>2.2</b>	<b>0.0</b>
<b>Fund balances at end of biennium</b>	<b>13.4</b>	<b>2.8</b>	<b>419.8</b>	<b>409.5</b>	<b>27.2</b>	<b>3.2</b>

<sup>a</sup> Revised income estimates are net of other income.

<sup>b</sup> Net of programme support cost income.

<sup>c</sup> Programme support cost income does not include programme support to implementing partners and the United Nations Interregional Crime and Justice Research Institute.

8. General-purpose (unearmarked) income levels continue to raise medium-term sustainability concerns. The current projected income of \$10.3 million, down by \$0.2 million from the consolidated budget, constitutes a mere 1.9 per cent of extrabudgetary contributions. This, coupled with tight earmarking of special-purpose contributions, hinders the ability of UNODC to execute its mandates, manage programmatic shortfalls, exert strategic direction and oversight, and implement improvements. Against the background of a 2014-2015 net loss of \$3.2 million of general-purpose funds, the minimum budget of \$9.6 million has been maintained. Its soundness, however, depends on the realization of the expected income, strict adherence to full cost recovery and an increase in unearmarked contributions in the medium term.

9. Special-purpose income has been adjusted downwards by \$59.9 million, to a total of \$520.1 million (gross of programme support income of \$45.0 million). This projection is close to the 2014-2015 level of \$516.9 million. The current income projection reflects increased contributions from major donors and lower contributions from national donors. Programme delivery of \$513.3 million, i.e. a decrease of \$37.3 million from the initial budget, is expected. The current projection reflects more realistic budget delivery and takes into consideration delays resulting from technical difficulties in Umoja, contractual management, the late receipt of funding and the refocusing of projects and delays in the operationalization of new programmes. It also compensates for an optimism bias in the initial projections.

10. Correspondingly, programme support cost income, a derivative of programme execution, has been adjusted downwards by \$3.2 million, to a total of \$45.0 million. That amount does not include programme support to implementing partners (\$0.6 million) and to the United Nations Interregional Crime and Justice Research Institute (\$1.6 million). In order to ensure a balanced budget, the expenditure

projections have also been capped at \$45.0 million, from the initial estimate of \$46.0 million.

11. Following recommendations made by the United Nations Board of Auditors to reflect the full extent of employee after-service liabilities, in the 2015 financial statements, UNODC made downward adjustments to its opening unrestricted reserves (general-purpose and programme support cost). Accordingly, the fund balances in table 1 of the present report reflect the same position and have been adjusted downwards by \$32.3 million. (See also section III, subsection H, below.)

12. UNODC continued to prudently utilize its resources. At headquarters, this resulted in savings of \$1.0 million against general-purpose and programme support cost funds. The Office intends to use the savings to bridge the funding gaps associated with the transition to full cost recovery. Further, field office direct support cost savings to the amount of \$2.7 million were realized following the abolition and reclassification of local posts and relocation to lower-cost premises. In 2017, UNODC will assess how and whether saving measures realized at several field offices could be replicated in full or in part in other offices and assess how to improve delivery in Umoja and develop strategic solutions for a sustainable field office network.

13. Mid-biennium results show that the current pace of transition is adequate at field offices with higher volumes and requires close monitoring at others. The savings made at UNODC headquarters will help to bridge current transition issues faced by the field offices with the most challenges.

### **III. Detailed results and activities during the first 12 months of the biennium**

#### **A. Background**

14. In recent bienniums, UNODC has seen an exponential growth in the volume and scope of its technical assistance, contrasted with persistent deterioration of general-purpose income and continuing pressure on regular budget and programme support costs. This trend caused a series of financial crises: in 2013, for the first time, the general-purpose fund closed at an operating loss, despite cost-saving measures. A net loss of \$3.2 million was also incurred during the biennium 2014-2015.

15. In response, during the biennium 2014-2015, UNODC commenced linking its technical assistance activities to a system of full direct cost recovery. This measure stemmed from the imperative to align with the Financial Regulations and Rules of the United Nations (as reiterated by the United Nations Controller in June 2012) and responded to the request made by the General Assembly in its resolution 62/208 for United Nations entities to further standardize and harmonize the concepts, practices and cost classifications related to transaction cost and cost recovery, while maintaining the principle of full cost recovery in the administration of all non-core/supplementary/extrabudgetary contributions, including in joint programmes.

16. Full direct costing is aimed at achieving sustainable and predictable funding of programme delivery by means of: (a) addressing consistent classification of direct and indirect costs; (b) fully and predictably costing UNODC programmes and direct project implementation costs; (c) aligning UNODC with other Secretariat entities on the use of programme support cost resources; (d) ensuring the use of all funding sources for their intended purposes; and (e) eliminating cross-subsidization. To enable realization at a realistic pace, the 2016-2017 budget extended the transitional measures, with full implementation planned for 2018-2019.

17. Following the adoption of Commission on Narcotic Drugs resolution 56/17 and Commission on Crime Prevention and Criminal Justice resolution 22/9, in implementing the consolidated budget and provisional approval of the new funding model, UNODC committed to: (a) monitoring cost structures against programme needs and transparently costing programme activities; (b) improving guidelines and procedures relating to cost recovery and the use of funding sources; (c) identifying efficiencies in the field and at headquarters; (d) regularly informing Member States about the status of implementation and any projected adaptation of field offices and of headquarters operations; (e) consulting donors and not automatically applying the new funding model to pre-2014 funding agreements; and (f) strengthening its efforts to further encourage donors to provide general-purpose funding, including by further increasing transparency and the quality of reporting.

## B. Revised cost estimates for the biennium 2016-2017

18. The revised estimates for all funds, showing the main determining factors and implementation in 2016, are presented in tables 2 and 3 and in annex II below.

Table 2

### Revised expenditure estimates for the biennium 2016-2017

(Millions of United States dollars)

	<i>Approved budget, 2016-2017</i>	<i>Adjustment of costing factors<sup>a</sup></i>	<i>Recosted budget 2016-2017</i>	<i>Saving measures</i>	<i>Proposed increases/ (decreases)</i>	<i>Revised estimates, 2016-2017</i>
<b>A. General-purpose funds</b>						
Post	8.9	(0.1)	8.8	(0.1)	0.2	8.9
Non-post	0.7	—	0.7	—	—	0.7
<b>Subtotal</b>	<b>9.6</b>	<b>(0.1)</b>	<b>9.5</b>	<b>(0.1)</b>	<b>0.2</b>	<b>9.6</b>
<b>B. Special-purpose funds</b>						
Drug programme	261.2	—	261.2	—	(48.0)	213.2
Crime programme <sup>b</sup>	289.4	—	289.4	—	10.7	300.1
<b>Subtotal</b>	<b>550.6</b>	<b>—</b>	<b>550.6</b>	<b>—</b>	<b>(37.3)</b>	<b>513.3</b>
<b>C. Programme support cost funds</b>						
Post	37.6	(1.4)	36.2	(0.9)	1.2	36.5
Non-post	8.4	—	8.4	—	0.1	8.5
<b>Subtotal</b>	<b>46.0</b>	<b>(1.4)</b>	<b>44.6</b>	<b>(0.9)</b>	<b>1.3</b>	<b>45.0</b>
<b>D. Regular budget<sup>c</sup></b>	<b>44.9</b>	<b>(6.7)</b>	<b>38.2</b>	<b>—</b>	<b>—</b>	<b>38.2</b>
<b>Total</b>	<b>651.1</b>	<b>(8.2)</b>	<b>642.9</b>	<b>(1.0)</b>	<b>(35.8)</b>	<b>606.1</b>

<sup>a</sup> Adjustments for exchange rate, inflation, standard costs and vacancy rates following approval of revised rates by the General Assembly in December 2015.

<sup>b</sup> Including the sub-fund of the United Nations Interregional Crime and Justice Research Institute.

<sup>c</sup> Including 2016-2017 regular budget resources in sections 16 and 23 of the programme budget.

Table 3  
**Implementation in 2016**  
(Millions of United States dollars)

	<i>Revised estimates, 2016-2017</i>	<i>Expenditure projections, 2016</i>	<i>Implementation rate (percentage)</i>
<b>A. General-purpose funds</b>	<b>9.6</b>	<b>5.5</b>	<b>57.3</b>
<b>B. Special-purpose funds</b>			
Drug programme	213.2	111.8	52.5
Crime programme	300.1	129.9	43.3
<b>Subtotal</b>	<b>513.3</b>	<b>241.7</b>	<b>47.1</b>
<b>C. Programme support cost funds</b>	<b>45.0</b>	<b>22.6</b>	<b>50.1</b>
<b>D. Regular budget</b>	<b>38.2</b>	<b>19.1</b>	<b>50.0</b>
<b>Total</b>	<b>606.1</b>	<b>288.9</b>	<b>47.7</b>

## C. Implementation in 2016

### Special-purpose funds

19. Programme delivery is anticipated to decrease by \$37.3 million (7.3 per cent) from the initial projected amount of \$550.6 million. The initial forecast carried a degree of over-optimism and would have meant a 27 per cent increase over the 2014 results and 34 per cent increase over the 2015 results. The revised lower forecast also reflects technical difficulties during the launch of Umoja, which caused the postponement of some activities to the second half of 2016 and beyond, delays in contracting and implementation arrangements, changes in donor and governmental counterparts' strategy, a refocus of project deliverables, security issues and the need to operationalize new country programmes. The 2016 implementation of \$241.7 million (47.1 per cent) suggests a higher delivery of \$271.6 million in 2017 (52.8 per cent).

20. Geographically, the decrease in biennial programme projections will result in lower delivery rates in Latin America and the Caribbean (with a revised amount of \$108.8 million, compared with an initial estimate of \$138.8 million), West and Central Asia (revised amount of \$62.5 million, compared with an initial estimate of \$75.6 million), South Asia, East Asia and the Pacific (revised amount of \$26.8 million, compared with an initial estimate of \$37.2 million) and Africa and the Middle East (revised amount of \$124.4 million, compared with an initial estimate of \$134.6 million), which will be partially offset by an increase in the programme portfolio of global programmes (revised amount of \$190.0 million, compared with an initial estimate of \$161.9 million). Details on the allocation of special-purpose voluntary contributions by geographical region and thematic area are provided in annex I.

### Programme support cost funds

21. Programme support cost mid-biennium implementation of 50.1 per cent (see table 3) incorporates, on the one hand, the sum of corporate savings of \$0.9 million (further explained in table 4) and adjustments for costing factors of \$1.4 million and, on the other hand, reduced income owing to lower-than-expected special purpose delivery. The net positive difference of \$1.3 million will be mainly used as an injection of support for field offices facing particular challenges during the



transition to full cost recovery. This approach maintains a balanced budget at \$45.0 million for the biennium while supporting the integrity of the field network and the orderly roll-out of full cost recovery.

#### **General-purpose funds**

22. The level of expenditure has been maintained at \$9.6 million for the biennium 2016-2017. The 2016 implementation of 57.3 per cent reflects that the transitioning of direct costs out of this fund as a result of full cost recovery will gradually tail off during the biennium. Owing to the inherent volatility of unearmarked income, the net savings and recosting amount of \$0.2 million will remain unallocated to form a within-biennium reserve.

### **D. Full cost recovery roll-out**

23. In 2016, UNODC continued to ensure a systematic and consistent application of full cost recovery to all programmes and projects funded from voluntary contributions. UNODC adapted its recovery processes to Umoja and issued revised full cost recovery guidelines to field offices and programme managers.

24. Further, UNODC is developing a risk management mechanism that will provide senior management with regular updates on programme and full cost recovery implementation and enable close monitoring of the full cost recovery rates and their impact on programme activities.

25. With this new mechanism and with the enhanced visibility and information timeliness expected to be gradually gained from Umoja, UNODC management will be able to conduct more factual reviews of the financial situation and potential mid-term solutions for maintaining the integrity of the field office network.

26. This report reflects adjustments made to support field offices facing greater transition challenges, without compromising the overall pace of the roll-out or fairness in the application of full cost recovery to all donors.

### **E. Cost-saving measures**

27. The launching of full cost recovery necessitated improvements in the gathering and tracking of data on costs and in classification standards, which in turn made it possible for the first time to effect cross-office comparisons. Invariably, the availability of comparative figures strengthened the sense of transparency and cost-consciousness and enabled UNODC to identify areas for cost-efficiencies. Overall, the Office is now in a better position to respond to the call by the Commission on Narcotic Drugs and the Commission on Crime Prevention and Criminal Justice to identify savings while remaining fully committed to increasing the effectiveness and results of its technical assistance.

28. A mid-biennium review identified gross cost-saving measures at headquarters and in the field totalling \$3.7 million (see table 4); those measures relate to short- and long-term efficiencies without negatively affecting programme delivery.

Table 4  
**Cost-saving measures in 2016-2017**  
(Millions of United States dollars)

		<i>Amount</i>
<b>A. General-purpose funds</b>		
Justice	Delayed recruitment	0.1
<b>Subtotal</b>		<b>0.1</b>
<b>B. Programme support cost funds</b>		
Independent Evaluation Unit	Delayed recruitment	0.1
Operations support	Delayed recruitment	0.1
Administrative support	Delayed recruitment/redeployments	0.6
IPSAS	Delayed recruitment	0.1
<b>Subtotal</b>		<b>0.9</b>
<b>B. Field office local costs</b>		
Post costs	Abolition of positions, downward reclassifications, delayed recruitment	0.9
Non-post costs	Decrease in rent and general operating expenses	1.8
<b>Subtotal</b>		<b>2.7</b>
<b>Total</b>		<b>3.7</b>

29. At headquarters, cost-saving measures amounting to \$1.0 million included delayed recruitment and the temporary charging of vacant regular budget posts to support the stabilization of Umoja.

30. UNODC field offices conducted systematic reviews of direct cost structures and staff components, resulting in saving and efficiency measures totalling \$2.7 million. The largest savings were reported by the Country Office for Afghanistan (\$1.4 million), the Regional Office for South Asia (\$0.6 million) and the Regional Office for Central Asia (\$0.3 million).

## **F. Secretariat-wide initiatives**

### **International Public Sector Accounting Standards**

31. The adoption of IPSAS in 2014 led to increased transparency and accountability in reporting assets, liabilities and commitments in the financial statements.

32. The 2015 IPSAS financial closure posed extraordinary challenges, as the roll-out of Umoja in November 2015 required the consolidation of three systems (ProFi, IMIS and Umoja) and the adoption of complex year-end processes. Further, data had to be constantly challenged to ensure that the financial estimates, classifications, valuations and provisions were IPSAS-compliant. During that process, UNODC produced multiple progressive statement drafts and underwent several audits by the Board of Auditors. The financial statements reflecting a true and fair view were signed on 30 September 2016 and issued on 17 October with an unqualified opinion.

33. The Board of Auditors fully recognized the challenges and complexities related to the closing of the accounts and the preparation of the 2015 financial statements. The Board of Auditors also commented on the need to embed the IPSAS disciplines in the business processes and programme delivery culture of UNODC. In response, UNODC has already commenced remedial IPSAS-Umoja training, engaged the Office of the United Nations Controller in order to improve on its closing practices and is re-evaluating its accounting practices and related resourcing, timelines and automation. Going forward, the objective of UNODC is to sustain IPSAS in the medium term, including the adoption of interim closings by 2020.

### **Umoja**

34. The implementation of Umoja in November 2015 posed challenges in Vienna and, in particular, at field offices. UNODC has been gradually overcoming those challenges, including with the recent improvement in field-based delivery. The roll-out is now in the stabilization phase.

35. In 2016, the aim has been to overcome processing bottlenecks, expand the user base, tailor training to UNODC operations, monitor user compliance with prescribed processes, enhance business intelligence reporting and provide support-desk functions to Vienna and remote users. Of particular note are the following developments:

(a) A project and programme dashboard, which provides programmatic substantive information and indicative financial information, was released in September 2016;

(b) An active UNODC role in the Secretariat-wide Umoja Post-Implementation Review Task Force has been established. The Task Force seeks to streamline processes in the areas of travel, bank reconciliations and United Nations Development Programme transaction clearances;

(c) Training and remedial training for key programme-based processes such as grants, management (donor contributions), travel and procurement resumed in March. The courses are provided by experienced trainers from New York and Vienna who now draw upon the programmatic characteristics of UNODC and the Office's practical experience. Training has become more integrated between Umoja and other change initiatives such as IPSAS, where new standards in asset verification and management to improve the accuracy of financial information have been introduced;

(d) Deployment efforts are also being directed to the next release (Umoja Extension 2), which is expected to bring major improvements to budget formulation, programme planning and management, grants-out processing, donor relationship management, demand and supply planning, event management and workforce planning. A proof of concept for budget formulation is being prepared for the end of 2016, with a pilot scheduled for 2018 and implementation in the biennium 2020-2021. Further Umoja enhancements are under way to address the implementation of the changes to staff remuneration and benefits recommended by the International Civil Service Commission.

36. Throughout the biennium 2016-2017, the UNODC site deployment team will continue to liaise with the Umoja project team in New York for all deployment activities and to coordinate the implementation in Vienna and UNODC field offices.

37. For UNODC to function well depends on timely stabilization, effective engagement of UNODC programme experts in the development of Umoja Extension 2, continued support to end users, notably field offices, and adherence to Umoja processes, while fine-tuning the underlying workflows. UNODC is fully committed to

this initiative to ensure improved accountability, management of resources and effective and efficient operations.

#### **Enterprise Risk Management initiative**

38. The United Nations Office at Vienna/UNODC Enterprise Risk Management (ERM) framework was launched in August 2014 and became fully operational in 2015. It covers many of the strategic and operational policy considerations of senior management. In particular, the risk area entitled “organizational transformation and Umoja” was prioritized during 2016, with weekly director-level meetings to ensure the effective roll-out of the new ERM. Completion of the ERM roll-out to the field offices and finalization of the various products had to be extended to the first half of 2016 owing to the competing priorities imposed by Umoja implementation and a prolonged budget development process during the second half of 2015. Development of the registers for the remaining field offices was completed in the first half of 2016. Division-level risk registers and response treatment plans have also been developed; work is ongoing to review and update these key risk matrices.

39. A second Secretariat-wide enterprise risk assessment process led by the Department of Management will be undertaken during the fourth quarter of 2016 or early 2017. It will provide the opportunity for UNODC to review its risk management effectiveness, including risk assessment, escalation and mitigation steps.

#### **Results-based management**

40. UNODC has successfully institutionalized a culture of results-based planning and reporting, with a robust programme planning and reporting procedure being adhered to under projects and programmes. Interdivisional structures for programme planning and review have been strengthened during the past year with the Programme Review Committee, which comprises senior managers from all divisions and allows for a strategic overview to be taken of progress made and challenges encountered in programme implementation. This has created a continuous and virtuous learning loop that is evidenced in better evaluation results. Nevertheless, in order to learn from experience, UNODC will conduct an in-depth evaluation of results-based management in the coming year and will also present a roadmap to further strengthen results orientation.

41. In 2015, UNODC prepared an annual report that was followed by a funding appeal. This exercise is a testament to the Office’s commitment to live up to the highest standards of programmatic transparency and to follow a coherent approach to presenting results and future funding needs. The UNODC programme progress report for 2015 is in two parts. The first part is a series of results-based programme reports for each of the approved UNODC global, regional and country programmes. In line with the structure of the 2015 annual programme reports, these measure progress against targets and also cover emerging good practices, lessons learned and partnerships forged, as well as the human rights and gender aspects of the Office’s programmes. There is also an overview report on the UNODC programme portfolio in Latin America. The second part of the annual report also serves as an advocacy tool and focuses on the human impact of the work of UNODC. It highlights concrete achievements under the global, regional and country programmes, with a focus on outcomes, rather than activity reporting. The 2016 annual report will be presented in 2017.

## G. Use of general-purpose and programme support cost funds

42. In order to address the request from Member States for transparency, the present section provides information on the use of general-purpose and programme support cost funds.

### General-purpose funds

43. In the biennium 2016-2017, general-purpose funds are being used to fund normative work, research, core functions not funded by the regular budget and programmatic shortfalls, including a gradual transition of field office representatives from general-purpose to special-purpose funding, as part of project and programme budgets (see table 5). As the flow of sustained unearmarked resources is key to the Organization's medium-term viability, UNODC continues to make calls to Member States to provide general-purpose contributions.

Table 5

### General-purpose funds: revised expenditure estimates by main area of work

(Millions of United States dollars)

	<i>Approved budget, 2016-2017</i>	<i>Adjustment of costing factors</i>	<i>Cost-saving and other measures</i>	<i>Revised estimates, 2016-2017</i>
<b>A. Executive direction and management</b>	<b>0.4</b>	—	—	<b>0.4</b>
<b>B. Programme of work</b>				
Countering drug trafficking and transnational organized crime	0.5	—	—	0.5
Justice	1.0	—	(0.1)	0.9
Research, trend analysis and forensics	4.0	(0.2)	—	3.8
Policy support	1.5	0.2	—	1.7
Technical cooperation and field support (field offices)	2.2	(0.1)	0.2	2.3
<b>Subtotal, programme of work</b>	<b>9.2</b>	<b>(0.1)</b>	<b>0.1</b>	<b>9.2</b>
<b>Total</b>	<b>9.6</b>	<b>(0.1)</b>	<b>0.1</b>	<b>9.6</b>

### Programme support cost funds

44. Based on the principles of full cost recovery and in accordance with the Financial Rules and Regulations of the United Nations, programme support cost revenue is utilized for indirect central administration, programme and departmental administration, other internal and externally provided services, programme and departmental programme services and other United Nations-wide initiatives. In an effort to sustain a reasonable pace of transition to the new funding model, in the biennium 2016-2017, programme support cost funds have also been used to provide direct support to field offices.

Table 6  
**Programme support cost funds: revised expenditure estimates by main area of work**

(Millions of United States dollars)

	<i>Approved budget, 2016-2017</i>	<i>Adjustment of costing factors</i>	<i>Cost-saving and other measures</i>	<i>Revised estimates, 2016-2017</i>
<b>A. Executive direction and management</b>	<b>3.6</b>	<b>—</b>	<b>(0.1)</b>	<b>3.5</b>
<b>B. Programme of work</b>				
Countering corruption	0.4	—	—	0.4
Countering drug trafficking and transnational organized crime	0.9	(0.1)	0.1	0.9
Policy support	4.5	(0.1)	0.2	4.6
Prevention, treatment and reintegration and alternative development	0.4	—	—	0.4
Research, trend analysis and forensics	0.7	—	—	0.7
Technical cooperation and field support (headquarters)	7.4	(0.2)	(0.1)	7.1
Technical cooperation and field support (field offices)	4.5	—	1.0	5.5
Terrorism prevention	0.1	—	—	0.1
<b>Subtotal, programme of work</b>	<b>18.9</b>	<b>(0.4)</b>	<b>1.2</b>	<b>19.7</b>
<b>C. Programme support</b>				
Division for Management	18.1	(0.9)	(0.1)	17.1
Other overarching services <sup>a</sup>	5.4	(0.1)	(0.6)	4.7
<b>Subtotal, programme support</b>	<b>23.5</b>	<b>(1.0)</b>	<b>(0.7)</b>	<b>21.8</b>
<b>Total</b>	<b>46.0</b>	<b>(1.4)</b>	<b>0.4</b>	<b>45.0</b>

<sup>a</sup> Including resources for Umoja, IPSAS, the Board of Auditors and the Office of Internal Oversight Services of the Secretariat.

## H. Fund balances

45. Table 1 shows the fund balances for all funds. Attention is drawn in particular to the fund balances of the general-purpose and programme support cost funds (unrestricted reserves), which show adjusted figures of \$2.1 and \$3.2 million, respectively, for the beginning of the biennium 2016-2017. These adjustments were necessary in order to align the reported fund balances of UNODC with the 2015 IPSAS financial statements, which reflect the true financial position and liabilities after all commitments, including employee liabilities and, in particular, after-service health insurance.

46. In effect, the ability of these fund balances to be used for programmatic shortfalls, such as abrupt termination of activities, has been significantly weakened because the long-term employee liabilities of UNODC have put a lien on the unrestricted reserves across the board. It is recalled that the United Nations financial policies require that funds maintain a constant level of reserves amounting to 15 per cent of the estimated annual expenditure of the general-purpose and special-purpose funds and 20 per cent of the annual expenditure of the programme

support cost funds. Based on the average yearly implementation of \$284 million that is projected for this biennium, UNODC would have needed \$43.7 million of reserves for full compliance. Accordingly, the adjustments triggered by IPSAS are being monitored closely and will be further assessed when the Secretariat-wide policies on recouping long-term employee liabilities, currently under consideration, are issued.

47. UNODC reserves are therefore being monitored closely. The financial positions of the Fund of the United Nations International Drug Control Programme and of the United Nations Crime Prevention and Criminal Justice Fund are summarized in annex III.

## IV. Conclusions

48. In order to improve its fund management and accountability to Member States and donors, UNODC has adjusted its projections of technical assistance to show a more realistic delivery during the biennium. Accordingly, the special purpose fund and programme support cost fund utilization have been revised to \$513.3 million and \$45.0 million, respectively. The general-purpose fund budget is maintained at \$9.6 million on the premise that the projected income will be realized.

49. To ensure sustainability, UNODC plans to continue with the roll-out of full cost recovery, use its funding sources for their intended purposes, cost activities transparently, further reduce cross-subsidization of funds and improve programme and resource planning and financial reporting. Furthermore, the Office will closely monitor the roll-out with a view to improving the effectiveness and efficiency of its programme. While the transition to full cost recovery continues, UNODC proposes the utilization of headquarters-based savings to support field offices in temporary need.

50. UNODC is in the stabilization phase of Umoja and is increasingly overcoming the challenges faced during the first year of its implementation.

51. UNODC continues to seek the support of Member States in order to secure continuous and predictable contributions to the general-purpose fund.

52. A summary of the resolutions proposed for adoption by the Commissions is provided below. The texts of the draft resolutions being proposed are provided in annexes IV and V.

53. For the Fund of the United Nations International Drug Control Programme, the Commission on Narcotic Drugs is requested to endorse revised estimates for special-purpose funds totalling \$213,207,700, reflecting a decrease of \$48,042,200 vis-à-vis the amount endorsed by it in its resolution 58/12. The Commission is also requested to endorse revised estimates for programme support cost funds totalling \$22,653,900, reflecting a decrease of \$819,800 vis-à-vis the amount endorsed by it in its resolution 58/12. The amount approved for general-purpose funds (\$6,968,900) in that resolution is being maintained.

54. For the United Nations Crime Prevention and Criminal Justice Fund, the Commission on Crime Prevention and Criminal Justice is requested to endorse revised estimates for special-purpose funds totalling \$300,097,800, reflecting an increase of \$10,728,000 vis-à-vis the amount endorsed by it in its resolution 24/3. The Commission is also requested to endorse revised estimates for programme support cost funds totalling \$22,387,600, reflecting a decrease of \$121,300 vis-à-vis the amount endorsed by it in its resolution 24/3. The amount approved for general-purpose funds (\$2,618,400) by the Commission in that resolution is being maintained.

## Annex I

### **Allocation of special-purpose voluntary contributions in the bienniums 2014-2015 and 2016-2017**

1. The table below shows a breakdown, by theme, region, division of the United Nations Office on Drugs and Crime (UNODC) and fund, of the programme of work financed by special-purpose voluntary contributions in the bienniums 2014-2015 and 2016-2017. The provision of a breakdown of the increase of \$62.3 million (13.8 per cent), from \$451.0 million in the biennium 2014-2015 to \$513.3 million in the biennium 2016-2017, by region is in accordance with the request of the Advisory Committee on Administrative and Budgetary Questions that UNODC should carefully monitor changing geographical needs ([E/CN.7/2005/9](#), para. 8).

2. In Africa and the Middle East, an increase of \$38.8 million (45.3 per cent), from \$85.6 million in the biennium 2014-2015 to \$124.4 million in the biennium 2016-2017, is projected. This increase is mainly the result of projected programme expansions in East Africa, North Africa and the Middle East, and West and Central Africa. Three new regional programmes, for the Arab States, East Africa and West Africa, were launched in 2016. A strong pillar in West Africa is the cooperation between the European Union and UNODC in support of the Regional Action Plan to Address the Growing Problem of Illicit Drug Trafficking, Organized Crime and Drug Abuse in West Africa of the Economic Community of West African States, and in support of country-level action with Nigeria. The Office's comprehensive response to the United Nations integrated strategy for the Sahel has expanded, with additional donor support for the biennium 2016-2017. Support for transnational crime units under the West Africa Coast Initiative and the establishment of real-time operational communication between international airports in Africa, Latin America and the Caribbean under the Airport Communication Project are increasing. A new interregional initiative linking Latin America, the Caribbean and West Africa aims to improve criminal justice and law enforcement action along the cocaine trafficking route. In the Middle East and North Africa, UNODC is working with Member States to counter trafficking and organized crime, including links to terrorism activities, and to support innovative border control measures, criminal justice and institutional reforms. In East Africa, priority areas include countering trafficking in persons, smuggling of migrants and illicit financial flows, supporting criminal justice and police reform, and providing services to persons injecting drugs in the regions along the "southern route" for heroin trafficking. In Southern Africa, UNODC requires a significant increase in funding to meet the expectations of the Southern African Development Community and Member States and to implement the priorities set out under the ongoing regional programme, notably those on combating gender-based violence, trafficking in persons, corruption, money-laundering and HIV/AIDS.

3. In South Asia, East Asia and the Pacific, the overall regional budget is expected to increase by approximately \$7.7 million (40.4 per cent), from \$19.1 million in the biennium 2014-2015 to \$26.8 million in the biennium 2016-2017. This increase is projected despite a major slowdown in implementation during the last quarter of 2015 and the first half of 2016 during the Umoja roll-out, which was scaled up as of the second half of 2016. UNODC has responded to these changes with a strategic readjustment of its set-up and structures in the region, including a standardized rate for full cost recovery in all offices. UNODC has also succeeded in fundraising and has benefited from growing commitments from newly emerging donors, including national donors, amid a changing drugs, crime and development context in the region. Overall, the region is witnessing increased commitments from countries and new donors for the combating of transnational organized crime and drug challenges. New funding sources



include United Nations entities, multi-donor trust funds and intergovernmental institutions, which contributed to increased UNODC portfolios in Indonesia, the Lao People's Democratic Republic and Myanmar. UNODC has made progress in creating synergies, integrating projects at the global, regional and country levels and implementing intraregional activities. In South Asia, strong efforts were made to rationalize field office costs, increase fundraising and prioritize UNODC interventions to meet the most important regional needs.

4. In West and Central Asia, a decrease of \$2.4 million (3.7 per cent), from \$64.9 million in the biennium 2014-2015 to \$62.5 million in the biennium 2016-2017, is projected. This reflects the ongoing repositioning of UNODC in the region, the launch of new programmes in West and Central Asia, including country programmes for Afghanistan, Iran (Islamic Republic of) and Pakistan, and continued work under the regional programme for Central Asia and the regional programme for Afghanistan and neighbouring countries. These programmes address the most pressing drug- and crime-related challenges, including through the interregional drug control approach and the "networking-the-networks" initiative, which bring the comparative advantages of each UNODC office in West and Central Asia together in fully integrated and interlinked actions with Member States.

5. In Eastern and South-Eastern Europe, the portfolio is projected to increase, as a result of planned new partnerships with the European Union and the expansion of drug demand reduction action. The strategic direction for UNODC is being guided by the expanded regional programme for South-Eastern Europe for the period 2016-2019. This regional programme is aimed at taking comprehensive action against global crime and is part of the inter-connectivity process pursued through the UNODC interregional drug control approach, which links interventions against heroin trafficking from Afghanistan through all transit and destination regions from West and Central Asia to Europe. The programme is also aimed at assisting countries in their European Union accession process, in line with the requirements outlined in the European Union Instrument for Pre-Accession Assistance for the period 2014-2020.

6. In Latin America and the Caribbean, the overall budget decreased by \$24.4 million (18.3 per cent), from \$133.2 million in the biennium 2014-2015 to \$108.8 million in the biennium 2016-2017, mainly as a result of the reduction in the envisaged programme volume of some offices. This projected decrease is attributable, inter alia, to the significant slowdown in implementation during Umoja roll-out throughout the first half of 2016, and to the projected reduction in funding from key donors as a result of shifts in funding priorities, changes in some national budgets and ongoing negotiations with national donors on future cooperation and funding modalities. UNODC has succeeded in strengthening strategic partnerships with key stakeholders and in promoting interregional cooperation, including the new initiative connecting countries in Latin America and the Caribbean and in West Africa in joint work on criminal justice and law enforcement matters along the so-called "cocaine route". A new country programme is being developed in the Plurinational State of Bolivia, and new programme offices have been established in El Salvador and — in the framework of the Office's regional programme in support of the Crime and Security Strategy of the Caribbean Community — in Barbados. Alternative development, drug demand reduction and the strengthening of the justice systems (including through projects on the implementation of the adversarial system in Panama and juvenile justice in Colombia) remain strong areas of UNODC engagement in the region. Support measures for crime prevention, prison reform and action against corruption and organized crime, money-laundering, drug trafficking, cybercrime, illegal mining, wildlife crime, trafficking in persons and smuggling of migrants have been expanded. Monitoring by UNODC of illicit crops in Bolivia (Plurinational State of), Colombia, Mexico and Peru continues to underpin national policy and strategy

formulation. Specialized data collection and analysis remain a priority, including through the work of the Centre of Excellence for Statistical Information on Governance, Victims of Crime, Public Security and Justice in Mexico City.

7. Globally, an increase of \$42.7 million (29.0 per cent), from \$147.3 million in the biennium 2014-2015 to \$190.0 million in the biennium 2016-2017, is projected. The growth is mainly the result of the launch of the new global programme for the implementation of the Doha Declaration on Integrating Crime Prevention and Criminal Justice into the Wider United Nations Agenda to Address Social and Economic Challenges and to Promote the Rule of Law at the National and International Levels, and Public Participation, with a total budget of \$49.1 million over four years. The Global Maritime Crime Programme continues to provide technical and legislative assistance in East Africa and West Africa and is expanding into new regions. Activities under the Global Programme for Combating Wildlife and Forest Crime are being expanded in Africa, Asia and Latin America. An expansion of the Container Control Programme to a further 28 countries is planned. The focus of the Global Programme against Money-Laundering, Proceeds of Crime and the Financing of Terrorism remains on the Programme's core goals. At the same time, however, that focus also takes into account the Sustainable Development Goal targets on reducing illicit financial flows, strengthening the return of stolen assets and improving domestic capacities for tax and revenue collection. The Office's global programmes against trafficking in persons and the smuggling of migrants have expanded significantly with the signing of a \$12 million agreement with the European Union to launch the new Global Action against Trafficking in Persons and the Smuggling of Migrants initiative. Technical assistance on terrorism prevention has also been enhanced by reaching out to 169 countries and focusing on specialized areas, including foreign terrorist fighters, terrorists benefiting from organized crime, trafficking in cultural heritage by terrorists, and children involved in terrorist groups. Two new global programmes, on global prison challenges and violence against children, were launched, attracting broad donor and recipient support. The United Nations Interregional Crime and Justice Research Institute also contributed to the increase in programme delivery.

8. Global research programmes focus on analysis, research and technical capacity-building, analysing the different aspects of transnational organized crime, notably trafficking in persons and the smuggling of migrants, and monitoring global drug markets. The programmes also produce global standards and deliver technical assistance to Member States in the areas of data collection, forensics and surveys. Project GLOI71, on change management, is the operational and sole vehicle for the implementation of the strategic planning function, which focuses on strategic alignment, development of a realistic and relevant results framework, and development of impact-focused, inter-agency partnership.

# **Programme of work funded from special-purpose voluntary contributions in the bienniums 2014-2015 and 2016-2017**

(Thousands of United States dollars)

	<i>Fund of the United Nations International Drug Control Programme</i>			<i>United Nations Crime Prevention and Criminal Justice Fund</i>			<i>Total United Nations Office on Drugs and Crime funds</i>		
	<i>2014-2015 (actual amount)</i>	<i>2016-2017 (revised)</i>	<i>Variance (percentage)</i>	<i>2014-2015 (actual amount)</i>	<i>2016-2017 (revised)</i>	<i>Variance (percentage)</i>	<i>2014-2015 (actual amount)</i>	<i>2016-2017 (revised)</i>	<i>Variance (percentage)</i>
<b>A. By theme</b>									
Policymaking organs	—	—	—	—	—	—	—	—	—
Executive direction and management	141.8	809.9	471.0	—	—	—	141.8	809.9	471.0
<i>Programme of work:</i>									
Countering drug trafficking and transnational organized crime	60 614.5	71 395.5	17.8	63 077.2	120 026.0	90.3	123 691.7	191 421.5	54.8
Prevention, treatment and reintegration and alternative development	153 859.7	104 943.4	(31.8)	706.2	3 555.5	403.4	154 565.9	108 498.9	(29.8)
Countering corruption	—	—	—	25 430.2	40 764.1	60.3	25 430.2	40 764.1	60.3
Terrorism prevention	—	—	—	16 775.1	20 110.8	19.9	16 775.1	20 110.8	19.9
Justice	561.9	1 072.6	90.9	52 308.9	71 003.9	35.7	52 870.7	72 076.5	36.3
Research, trend analysis and forensics <sup>a</sup>	18 392.9	21 908.5	19.1	39 521.8	34 276.7	(13.3)	57 914.7	56 185.2	(3.0)
Policy support	1 398.0	1 890.2	35.2	2 914.3	3 503.6	20.2	4 312.3	5 393.8	25.1
Technical cooperation and field support	6 383.4	4 522.6	(29.2)	1 010.8	1 812.8	79.3	7 394.2	6 335.4	(14.3)
Provision of secretariat services and substantive support to the governing bodies and the International Narcotics Control Board	3 609.4	2 996.4	(17.0)	—	—	—	3 609.4	2 996.4	(17.0)
Programme support	407.4	3 668.6	800.4	3 921.6	5 044.4	28.6	4 329.1	8 713.0	101.3
<b>Total</b>	<b>245 369.1</b>	<b>213 207.7</b>	<b>(13.1)</b>	<b>205 666.1</b>	<b>300 097.8</b>	<b>45.9</b>	<b>451 035.2</b>	<b>513 305.5</b>	<b>13.8</b>
<b>B. By region</b>									
Africa and the Middle East	22 247.4	34 017.0	52.9	63 394.8	90 403.1	42.6	85 642.2	124 420.1	45.3

	<i>Fund of the United Nations International Drug Control Programme</i>			<i>United Nations Crime Prevention and Criminal Justice Fund</i>			<i>Total United Nations Office on Drugs and Crime funds</i>		
	<i>2014-2015 (actual amount)</i>	<i>2016-2017 (revised)</i>	<i>Variance (percentage)</i>	<i>2014-2015 (actual amount)</i>	<i>2016-2017 (revised)</i>	<i>Variance (percentage)</i>	<i>2014-2015 (actual amount)</i>	<i>2016-2017 (revised)</i>	<i>Variance (percentage)</i>
South Asia, East Asia and the Pacific	7 203.0	12 134.0	68.5	11 857.2	14 623.6	23.3	19 060.2	26 757.7	40.4
West and Central Asia	44 970.4	45 031.0	0.1	19 930.7	17 463.7	(12.4)	64 901.1	62 494.6	(3.7)
Eastern and South-Eastern Europe	545.3	659.8	21.0	362.1	121.1	(66.6)	907.3	780.9	(13.9)
Latin America and the Caribbean	113 508.4	67 942.6	(40.1)	19 660.2	40 859.8	107.8	133 168.6	108 802.4	(18.3)
Global <sup>a</sup>	56 894.7	53 423.3	(6.1)	90 461.1	136 626.5	51.0	147 355.8	190 049.8	29.0
<b>Total</b>	<b>245 369.1</b>	<b>213 207.7</b>	<b>(13.1)</b>	<b>205 666.1</b>	<b>300 097.8</b>	<b>45.9</b>	<b>451 035.2</b>	<b>513 305.5</b>	<b>13.8</b>
<b>C. By division</b>									
Division for Operations <sup>b</sup>	214 964.7	177 947.4	(17.2)	129 273.8	192 465.7	48.9	344 238.5	370 413.0	7.6
Division for Treaty Affairs	22 345.0	24 566.1	9.9	36 702.9	69 852.2	90.3	59 047.8	94 418.3	59.9
Division for Policy Analysis and Public Affairs	6 296.4	6 215.8	(1.3)	3 391.5	6 290.6	85.5	9 687.8	12 506.4	29.1
Division for Management	1 621.2	3 668.6	126.3	3 921.6	5 044.4	28.6	5 542.9	8 713.0	57.2
Office of the Executive Director	141.8	809.9	471.0	—	—	—	141.8	809.9	471.0
United Nations Interregional Crime and Justice Research Institute	—	—	—	32 376.3	26 444.8	(18.3)	32 376.3	26 444.8	(18.3)
<b>Total</b>	<b>245 369.1</b>	<b>213 207.7</b>	<b>(13.1)</b>	<b>205 666.1</b>	<b>300 097.8</b>	<b>45.9</b>	<b>451 035.2</b>	<b>513 305.5</b>	<b>13.8</b>

<sup>a</sup> Including the sub-fund for the United Nations Interregional Crime and Justice Research Institute.

<sup>b</sup> Including support costs paid to implementing partners.

**Annex II****Revised resource projections for the biennium 2016-2017****Revised resource projections for the biennium 2016-2017**

(Thousands of United States dollars)

<i>Category</i>	<i>2016</i>	<i>2017</i>	<i>2016-2017</i>
<b>A. General-purpose funds</b>			
Post	4 815.3	4 118.9	8 934.2
Non-post	327.5	325.5	653.0
<b>Subtotal</b>	<b>5 142.8</b>	<b>4 444.5</b>	<b>9 587.2</b>
<b>B. Special-purpose funds</b>			
Drug programme	111 840.2	101 367.6	213 207.7
Crime programme	129 882.4	170 215.4	300 097.8
<b>Subtotal</b>	<b>241 722.6</b>	<b>271 582.9</b>	<b>513 305.5</b>
<b>C. Programme support cost funds</b>			
Post	16 895.7	19 653.6	36 549.2
Non-post	4 554.3	3 937.9	8 492.2
<b>Subtotal</b>	<b>21 450.0</b>	<b>23 591.5</b>	<b>45 041.5</b>
<b>D. Regular budget</b>	<b>19.1</b>	<b>19.1</b>	<b>38.2</b>
<b>Total</b>	<b>268 334.4</b>	<b>299 638.0</b>	<b>567 972.4</b>

## Annex III

### Financial position

#### A. Fund of the United Nations International Drug Control Programme

##### Drug programme: financial summary of the Fund of the United Nations International Drug Control Programme, bienniums 2014-2015 and 2016-2017

(Thousands of United States dollars)

	2014-2015 actual amount				2016-2017 revised budget			
	General-purpose funds	Special-purpose funds	Programme support cost funds	Total	General-purpose funds	Special-purpose funds	Programme support cost funds	Total
<b>I. Funding</b>								
<b>A Fund balances at biennium start</b>	14 863.7	223 276.2	19 468.0	257 607.9	2 047.4	191 881.9	3 147.1	197 076.4
<b>Subtotal A</b>	<b>14 863.7</b>	<b>223 276.2</b>	<b>19 468.0</b>	<b>257 607.9</b>	<b>2 047.4</b>	<b>191 881.9</b>	<b>3 147.1</b>	<b>197 076.4</b>
<b>B Income</b>								
Contributions from Member States	6 185.9	133 982.9	—	140 168.7	3 226.5	163 011.2	—	166 237.7
Emerging and national donors	1 995.6	115 461.9	—	117 457.4	976.0	45 691.9	—	46 667.9
Contributions from other governmental organizations	—	2 458.3	—	2 458.3	—	15 000.0	—	15 000.0
Contributions from international organizations	—	18 429.9	—	18 429.9	—	3 863.1	—	3 863.1
Public donations	—	742.0	—	742.0	—	3 315.0	—	3 315.0
Other income	753.0	3 534.7	584.7	4 872.5	753.0	700.0	548.8	2 037.8
<b>Subtotal income</b>	<b>8 934.5</b>	<b>274 609.6</b>	<b>584.7</b>	<b>284 128.8</b>	<b>4 955.5</b>	<b>231 581.2</b>	<b>584.8</b>	<b>237 121.5</b>
Programme support income for UNODC	—	(25 547.2)	25 547.2	—	—	(19 280.1)	19 280.1	—
Programme support paid to implementing partners	—	281.0	(281.0)	—	—	351.9	(351.9)	—
<b>Subtotal B</b>	<b>8 934.5</b>	<b>249 343.4</b>	<b>25 850.9</b>	<b>284 128.8</b>	<b>4 955.5</b>	<b>212 652.9</b>	<b>19 513.1</b>	<b>237 121.5</b>
<b>Total I (A+B)</b>	<b>23 798.2</b>	<b>472 619.7</b>	<b>45 318.9</b>	<b>541 736.7</b>	<b>7 002.9</b>	<b>404 534.8</b>	<b>22 660.2</b>	<b>434 197.9</b>

#### II.

##### C Expenditure

Executive direction and management	1 169.4	141.8	998.6	2 309.8	397.5	809.9	2 206.8	3 414.2
<i>Programme of work:</i>								
Countering drug trafficking and transnational organized crime	—	60 614.5	221.0	60 835.5	—	71 395.5	209.6	71 605.1
Prevention, treatment and reintegration and alternative development	—	153 859.7	241.5	154 101.2	—	104 943.4	318.3	105 261.7
Countering corruption	—	—	16.1	16.1	—	—	—	—
Terrorism prevention	—	—	7.3	7.3	—	—	—	—
Justice	—	561.9	—	561.9	—	1 072.6	—	1 072.6

	2014-2015 actual amount				2016-2017 revised budget			
	General-purpose funds	Special-purpose funds	Programme support cost funds	Total	General-purpose funds	Special-purpose funds	Programme support cost funds	Total
Research, trend analysis and forensics	2 864.3	18 392.9	379.8	21 637.0	3 344.0	21 908.5	397.5	25 650.0
Policy support	1 215.5	1 398.0	2 220.0	4 833.5	1 646.8	1 890.2	2 186.1	5 723.1
Technical cooperation and field support	4 467.3	6 383.4	8 232.4	19 083.2	1 580.6	4 522.6	5 604.1	11 707.2
Provision of secretariat services and substantive support to the governing bodies and the International Narcotics Control Board	—	3 609.4	—	3 609.4	—	2 996.4	—	2 996.4
Programme support	1 606.0	407.4	8 857.4	10 870.8	—	3 668.6	11 731.6	15 400.2
<b>Total II (A+B+C)</b>	<b>11 322.5</b>	<b>245 369.1</b>	<b>21 174.1</b>	<b>277 865.7</b>	<b>6 968.9</b>	<b>213 207.7</b>	<b>22 653.9</b>	<b>242 830.5</b>
<b>III. Other adjustments to fund balances<sup>a</sup></b>	(10 428.3)	(35 368.7)	(20 997.7)	(66 794.7)	—	—	—	—
<b>Total III</b>	<b>(10 428.3)</b>	<b>(35 368.7)</b>	<b>(20 997.7)</b>	<b>(66 794.7)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Fund balances at biennium end (I-II+III)</b>	<b>2 047.4</b>	<b>191 881.9</b>	<b>3 147.1</b>	<b>197 076.4</b>	<b>34.0</b>	<b>191 327.1</b>	<b>6.3</b>	<b>191 367.4</b>

<sup>a</sup> Net of adjustments for end-of-service actuarial gains and losses, including adjustment for IPSAS balances.

## B. United Nations Crime Prevention and Criminal Justice Fund

### Crime programme: financial summary of the United Nations Crime Prevention and Criminal Justice Fund,<sup>a</sup> bienniums 2014-2015 and 2016-2017

(Thousands of United States dollars)

	2014-2015 actual amount				2016-2017 revised budget			
	General-purpose funds	Special-purpose funds	Programme support cost funds	Total	General-purpose funds	Special-purpose funds	Programme support cost funds	Total
<b>I. Funding</b>								
<b>A Fund balances at biennium start</b>	1 024.4	211 593.0	4 784.0	217 401.4	10.9	255 849.1	68.0	10.9
<b>Subtotal A</b>	<b>1 024.4</b>	<b>211 593.0</b>	<b>4 784.0</b>	<b>217 401.4</b>	<b>10.9</b>	<b>255 849.1</b>	<b>68.0</b>	<b>10.9</b>
<b>B Income</b>								
Contributions from Member States	2 919.1	196 819.3	—	199 738.4	5 726.5	169 581.4	—	175 307.9
Emerging and national donors	392.5	34 883.0	—	35 275.4	368.0	23 533.2	—	23 901.2
Contributions from other governmental organizations	—	14 229.6	—	14 229.6	—	80 552.0	—	80 552.0
Contributions from international organizations	—	14 382.3	—	14 382.3	—	13 468.1	—	13 468.1
Public donations	—	4 042.5	—	4 042.5	—	2 055.9	—	2 055.9
Other income	588.1	1 450.3	528.3	2 566.7	588.0	800.0	528.4	1 916.4
<b>Subtotal income</b>	<b>3 899.7</b>	<b>265 807.0</b>	<b>528.3</b>	<b>270 235.0</b>	<b>6 682.5</b>	<b>289 990.7</b>	<b>528.4</b>	<b>297 201.6</b>
Programme support income for UNODC	—	(19 990.8)	19 990.8	—	—	(26 388.6)	26 388.6	—
Programme support income for UNICRI	—	(2 349.9)	2 349.9	—	—	(1 635.5)	1 635.5	—
Programme support paid to implementing partners	—	730.7	(730.7)	—	—	292.0	(292.0)	—
<b>Subtotal B</b>	<b>3 899.7</b>	<b>244 197.1</b>	<b>22 138.3</b>	<b>270 235.0</b>	<b>6 682.5</b>	<b>262 258.6</b>	<b>28 260.4</b>	<b>297 201.6</b>
<b>Total I (A+B)</b>	<b>4 924.0</b>	<b>455 790.1</b>	<b>26 922.3</b>	<b>487 636.3</b>	<b>6 693.4</b>	<b>518 107.7</b>	<b>28 328.5</b>	<b>553 129.6</b>
<b>II. C Expenditure</b>								
Executive direction and management	501.0	—	734.2	1 235.1	—	—	1 338.1	1 338.1
<i>Programme of work:</i>								
Countering drug trafficking and transnational organized crime	460.5	63 077.2	544.4	64 082.1	479.2	120 026.0	685.0	121 190.1
Prevention, treatment and reintegration and alternative development	—	706.2	11.8	718.0	—	3 555.5	—	3 555.5
Countering corruption	—	25 430.2	425.1	25 855.3	—	40 764.1	400.5	41 164.5
Terrorism prevention	—	16 775.1	77.3	16 852.3	—	20 110.8	106.3	20 217.1
Justice	841.6	52 308.9	—	53 150.4	970.6	71 003.9	—	71 974.5
Research, trend analysis and forensics	789.1	39 521.8	231.4	40 542.2	427.5	34 276.7	293.4	34 997.6
Policy support	—	2 914.3	1 702.6	4 617.0	—	3 503.6	2 448.4	5 951.9



		2014-2015 actual amount				2016-2017 revised budget			
		General- purpose funds	Special- purpose funds	Programme support cost funds	Total	General- purpose funds	Special- purpose funds	Programme support cost funds	Total
	Technical cooperation and field support	813.1	1 010.8	5 950.8	7 774.7	741.1	1 812.8	6 987.7	9 541.3
	Programme support	606.5	3 921.6	7 111.9	11 640.1	—	5 044.4	10 128.3	15 172.8
	<b>Total II (A+B+C)</b>	<b>4 011.6</b>	<b>205 666.1</b>	<b>16 789.5</b>	<b>226 467.2</b>	<b>2 618.4</b>	<b>300 097.8</b>	<b>22 387.6</b>	<b>325 103.7</b>
<b>III.</b>	<b>Other adjustments to fund balances<sup>b</sup></b>	(901.5)	5 725.1	(10 064.7)	(5 241.1)	—	—	—	—
	<b>Total III</b>	<b>(901.5)</b>	<b>5 725.1</b>	<b>(10 064.7)</b>	<b>(5 241.1)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
	<b>Fund balances at biennium end (I-II+III)</b>	<b>10.9</b>	<b>255 849.1</b>	<b>68.0</b>	<b>255 928.0</b>	<b>4 075.0</b>	<b>218 009.9</b>	<b>5 940.9</b>	<b>228 025.8</b>

<sup>a</sup> Including the sub-fund for the United Nations Interregional Crime and Justice Research Institute (UNICRI).

<sup>b</sup> Net of adjustments for actuarial gains and losses, including adjustment for IPSAS balances.

## Annex IV

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

#### Implementation of the budget for the biennium 2016-2017 for the Fund of the United Nations International Drug Control Programme

*The Commission on Narcotic Drugs,*

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

*Having considered* the report of the Executive Director on the implementation of the consolidated budget for the biennium 2016-2017 for the United Nations Office on Drugs and Crime,<sup>a</sup>

*Recalling* its resolution 56/17 of 13 December 2013,

1. *Notes* that the report of the Executive Director on the implementation of the consolidated budget for the biennium 2016-2017 for the United Nations Office on Drugs and Crime<sup>a</sup> provides information on the adjustments to the consolidated budget;

2. *Also notes* the continued strong donor confidence in programme delivery by the United Nations Office on Drugs and Crime;

3. *Further notes* the progress in the transition towards full cost recovery as set out in the report of the Executive Director on the implementation of the consolidated budget for the biennium 2016-2017 for the United Nations Office on Drugs and Crime;

4. *Notes* the cost-saving measures taken by the United Nations Office on Drugs and Crime to maintain general-purpose expenditure at 6,968,900 United States dollars and programme support cost expenditure at 22,653,900 dollars;

5. *Endorses* the revised estimates for special-purpose funds as indicated below:

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

	<i>Resources (thousands of United States dollars)</i>		<i>Posts</i>	
	<i>Approved budget, 2016-2017</i>	<i>Revised budget, 2016-2017</i>	<i>Approved budget, 2016-2017</i>	<i>Revised budget, 2016-2017</i>
<b>General-purpose funds</b>				
Post	6 539.7	6 539.7	21	21
Non-post	429.2	429.2	—	—
<b>Subtotal</b>	<b>6 968.9</b>	<b>6 968.9</b>	<b>21</b>	<b>21</b>
<b>Special-purpose funds</b>	261 249.9	213 207.7	130	130
<b>Subtotal</b>	<b>261 249.9</b>	<b>213 207.7</b>	<b>130</b>	<b>130</b>

<sup>a</sup> E/CN.7/2015/17-E/CN.15/2015/20.

	<i>Resources (thousands of United States dollars)</i>		<i>Posts</i>	
	<i>Approved budget, 2016-2017</i>	<i>Revised budget, 2016-2017</i>	<i>Approved budget, 2016-2017</i>	<i>Revised budget, 2016-2017</i>
<b>Programme support cost funds</b>				
Post	18 811.1	17 992.2	71	71
Non-post	4 662.6	4 661.7	—	—
<b>Subtotal</b>	<b>23 473.7</b>	<b>22 653.9</b>	<b>71</b>	<b>71</b>
<b>Total</b>	<b>291 692.4</b>	<b>242 830.5</b>	<b>223</b>	<b>223</b>

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

## Annex V

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

#### Implementation of the budget for the biennium 2016-2017 for the United Nations Crime Prevention and Criminal Justice Fund

*The Commission on Crime Prevention and Criminal Justice,*

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

*Having considered* the report of the Executive Director on the implementation of the consolidated budget for the biennium 2016-2017 for the United Nations Office on Drugs and Crime,<sup>a</sup>

*Recalling* its resolution 22/9 of 13 December 2013,

1. *Notes* that the report of the Executive Director on the implementation of the consolidated budget for the biennium 2016-2017 for the United Nations Office on Drugs and Crime<sup>a</sup> provides information on the adjustments to the consolidated budget;

2. *Also notes* the continued strong donor confidence in programme delivery by the United Nations Office on Drugs and Crime;

3. *Further notes* the progress in the transition towards full cost recovery as set out in the report of the Executive Director on the implementation of the consolidated budget for the biennium 2016-2017 for the United Nations Office on Drugs and Crime;

4. *Notes* the cost-saving measures taken by the United Nations Office on Drugs and Crime to maintain general-purpose expenditure at 2,618,400 United States dollars and programme support cost expenditure at 22,387,600 dollars;

5. *Endorses* the revised estimates for special-purpose funds as indicated below:

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

	Resources (thousands of United States dollars)		Posts	
	Approved budget, 2016-2017	Revised budget, 2016-2017	Approved budget, 2016-2017	Revised budget, 2016-2017
<b>General-purpose funds</b>				
Post	2 394.6	2 394.6	8	8
Non-post	223.8	223.8	—	—
<b>Subtotal</b>	<b>2 618.4</b>	<b>2 618.4</b>	<b>8</b>	<b>8</b>
<b>Special-purpose funds</b>				
	289 369.8	300 097.8	201	201
<b>Subtotal</b>	<b>289 369.8</b>	<b>300 097.8</b>	<b>201</b>	<b>201</b>

<sup>a</sup> E/CN.7/2015/17-E/CN.15/2015/20.

	<i>Resources (thousands of United States dollars)</i>		<i>Posts</i>	
	<i>Approved budget, 2016-2017</i>	<i>Revised budget, 2016-2017</i>	<i>Approved budget, 2016-2017</i>	<i>Revised budget, 2016-2017</i>
<b>Programme support cost funds</b>				
Post	18 753.4	18 557.1	68	68
Non-post	3 755.5	3 830.5	—	—
<b>Subtotal</b>	<b>22 508.9</b>	<b>22 387.6</b>	<b>68</b>	<b>68</b>
<b>Total</b>	<b>314 497.1</b>	<b>325 103.7</b>	<b>277</b>	<b>277</b>

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