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Agenda item 4 (b)

**Strategic management, budgetary and administrative questions: directives on policy and budgetary issues for the drug programme of the United Nations Office on Drugs and Crime****Commission on Crime Prevention and Criminal Justice****Reconvened twenty-seventh session**

Vienna, 6 and 7 December 2018

Agenda item 4 (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 2018–2019 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 2018–2019 for the United Nations Office on Drugs and Crime (UNODC) ([E/CN.7/2017/12-E/CN.15/2017/14](#) and [E/CN.7/2018/12-E/CN.15/2018/14](#)) and provides information on status of implementation and the United Nations reform initiatives.

The budget for special-purpose funds has been revised to \$648.9 million, reflecting more prudent delivery estimates for 2018 of \$298.2 million (initial budget of \$365.4 million) and revised upwards estimates for 2019 of \$350.7 million (initial budget of \$307.0 million). The amount of \$648.9 million corresponds to an overall decrease of \$23.6 million vis-à-vis the aggregate amount of \$672.4 million endorsed by the Commission on Narcotic Drugs in its resolution [61/1](#) and by the Commission on Crime Prevention and Criminal Justice in its resolution [27/1](#). The estimates for programme support cost funds have been increased by \$2.1 million to a total of \$52.0 million, due to recosting of \$1.0 million and immediate funding priorities of \$3.0 million, partially offset by savings of \$1.9 million. In aggregate, this continues to achieve a balanced budget against an equivalent income projection. The amount initially approved for general-purpose funds of \$9.0 million is maintained.



To participate fully in the reform of the United Nations development system and other key United Nations reform efforts, throughout the end of 2018 and the first half of 2019, UNODC will create a surge capacity to reinforce its presence in the field and in key priority thematic areas. This capacity will allow UNODC to assess its participation in new United Nations country teams in several locations and explore the best options for the future UNODC field office network, including future operating and fundraising opportunities. Total resource requirements for the surge capacity and related adaptation and reform measures for UNODC field operations, programmes and support processes amount to \$1.8 million. To the degree that it is doable, available resources and any new general-purpose or special-purpose funding will be directed to these measures. UNODC is actively reaching out to donors and partners to ascertain funding possibilities. In the meantime, UNODC has identified savings of \$0.8 million under programme support cost funds and contemplates advancing the remaining \$1.0 million from programme support cost funds as a temporary measure.

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## I. Introduction

1. The Commission on Narcotic Drugs, at its sixty-first session, adopted resolution 61/1, entitled “Budget for the biennium 2018–2019 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 2018–2019 for the Fund of the United Nations International Drug Control Programme. The Commission on Crime Prevention and Criminal Justice, at its twenty-seventh session, adopted resolution 27/1, entitled “Budget for the biennium 2018–2019 for the United Nations Crime Prevention and Criminal Justice Fund”, in which it approved the projected use of general-purpose funds in the biennium 2018–2019 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 limited core programmatic functions not funded by the regular budget, including normative work and research, institutional 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 internally and externally provided services (including Secretariat initiatives), and 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 2018–2019. It also provides information on the United Nations reform initiatives and the positioning and integration of the United Nations Office on Drugs and Crime (UNODC) and its field office network in the United Nations development system in support of countries in their efforts to implement the 2030 Agenda for Sustainable Development. Finally, it includes updates on full cost recovery and the United Nations management reform, including accountability, budget reform, the global service delivery model, Umoja Extension 2, and the International Public Sector Accounting Standards (IPSAS). An overview of the revised estimates for the biennium 2018–2019 is presented in tables 1, 3 and 4. 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 2018–2019 for approval by the General Assembly in December 2018.

## 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 2018–2019

(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	2.1	2.8	484.2	586.7	4.1	6.4
A. Income <sup>a</sup>	6.8	8.0	608.4 <sup>b</sup>	577.4 <sup>b</sup>	54.0	52.0
B. Expenditure	(6.6)	(7.8)	(672.4)	(648.9)	(49.9)	(52.0)
C. Reserve	(2.4)	(1.2)	–	–	–	–
<b>Excess (shortfall) (A+B+C)</b>	<b>(2.2)</b>	<b>(1.0)</b>	<b>(64.0)</b>	<b>(71.5)</b>	<b>4.1</b>	<b>(0.0)</b>
<b>Fund balances at end of biennium</b>	<b>(0.1)</b>	<b>1.8</b>	<b>420.2</b>	<b>515.2</b>	<b>8.2</b>	<b>6.4</b>

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

<sup>b</sup> For special-purpose funds, the income is adjusted by the programme support cost income for UNODC, net of programme support paid to implementing partners.

8. General-purpose (unearmarked) income levels continue to raise serious concerns about medium-term sustainability. The current projected income of \$8.0 million reflects an increase of \$1.2 million from the consolidated budget due to increased contributions from Sweden and Luxembourg. Despite the increase in income, general-purpose funds constitute a mere 1.2 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, including United Nations reform initiatives. In view of the need to ensure the continuity of the work of the Research and Trends Analysis Branch and the Justice Section, and to sustain UNODC field offices, the austere budget of \$9.0 million has been maintained, after exceptional use of general-purpose reserves of \$1.2 million (\$2.4 million in the initial budget). While this approach provides some relief to programmatic areas and field offices, it requires prudent management. UNODC continues to count on support from Member States for increased unearmarked contributions to ensure the solvency of the general-purpose fund.

9. Special-purpose income has been adjusted downward by \$33.0 million, to a total of \$629.4 million (gross of programme support income of \$52.0 million). The current income projection reflects increased contributions from Mexico, Norway and Panama, and lower contributions from others in 2018. Programme delivery of \$648.9 million is currently estimated, i.e., a decrease of \$23.6 million from the initial budget. The downward revision reflects decreased delivery in 2018 of \$298.2 million (initial budget \$365.4 million) with higher projected estimates for 2019 of \$350.7 million (initial budget \$307.0 million), an increase of 17.6 per cent from the revised estimates for 2018.

10. Correspondingly, programme support cost income, a derivative of programme execution, has been adjusted downward by \$2 million, to a total of \$52.0 million. Expenditure projections have been increased from the initial budget of \$49.9 million but also capped at \$52.0 million in order to ensure a balanced budget. The increase in expenditure will provide for adjustments to costing factors, as well as one-off surge capacity to position UNODC and its field office network in the context of the United

Nations development system reform (General Assembly resolution [72/279](#)) (see also section III, below). The revised budget also proposes to re-establish the function of Deputy Director, Division for Operations, at the D-1 level, in late 2018, for the overall management, direction, coordination, liaison and oversight for all field-based operations, in particular those related to the United Nations reform.

11. UNODC continued to prudently utilize its resources. Under general-purpose and programme support cost funds, this resulted in savings of \$2.5 million (\$2.1 million at headquarters and \$0.4 million in the field). The Office intends to use the savings to cover known costs such as the increased central charge for Umoja, immediate requirements in the areas of public affairs, policy support and research, and to bridge fundraising efforts for the surge capacity as explained in section III, below.

12. Further, field office direct support cost savings of \$0.9 million were realized following delayed recruitment and the abolition of local posts. Mid-biennium results show that the situation in at least some of the field offices facing financial viability risks has improved, which enabled UNODC to reduce 2019 general-purpose resources for those offices by \$0.4 million.

### **III. United Nations development system reform**

13. In its resolution [72/279](#), the General Assembly requested the Secretary-General to lead the efforts of the entities of the United Nations development system to implement a new generation of United Nations country teams, based on country development priorities and long-term needs and the approved United Nations Development Assistance Framework, and to reinvigorate the resident coordinator system. The Secretary-General was also requested to enhance the coordination, transparency, efficiency and impact of United Nations development activities on the ground and to better support countries in implementing the 2030 Agenda. To that end, the functions of the resident coordinator are being separated from the functions of the resident representative of the United Nations Development Programme. The resident coordinator is also empowered to ensure the alignment of both agency programmes and inter-agency pooled funding for development with national development needs and priorities, and will report to the Secretary-General and to the host government on the implementation of the United Nations Development Assistance Framework. To ensure adequate and predictable funding of the resident coordinator system, the General Assembly approved, among other measures, a 1 per cent coordination levy on tightly earmarked third-party non-core contributions to United Nations development-related activities. While the exact modalities of this levy are still to be clarified by the United Nations Controller, UNODC estimates, *prima facie*, that the future impact will be in the range of \$1.0 to \$1.5 million per annum.

14. In order to participate fully in this reform, UNODC proposes the creation of a one-off surge capacity to strengthen field-based presence and capacity in negotiation, partnering and programme development in key priority countries and thematic areas. In parallel, the existing UNODC field office network will also engage fully in local United Nations country teams and regional positioning of the United Nations Development Group so as to identify and adapt the options for an optimal presence beyond the end of 2019. These measures will enable UNODC to identify: (a) sustainable and financially viable options for the future UNODC field network fully integrated into and aligned with the new United Nations country teams and regional mechanisms of the United Nations Development Group; and (b) stronger participation in joint United Nations programmes, local operational platforms and the forging of new partnerships.

15. As part of the new surge capacity, UNODC will also be establishing or strengthening its field presence through the temporary infusion of management, analytical or technical expertise, all aimed at responding to current opportunities and strong demands for UNODC local engagement and services at the country level within evolving new United Nations country teams, including the development of new

partnerships with other United Nations actors and local counterparts. The temporary posting of experts as of the last quarter of 2018 in priority countries in the regions of Asia, Africa and the Middle East and Latin America will ensure the representation of the Office and key UNODC mandates during the phase of formation of the new United Nations country teams. The enhanced UNODC field presence during this phase will also contribute to the development and reshaping of the United Nations Development Assistance Framework and national strategic plans that reflect counterpart priorities and adapt the local UNODC presence within common business operations settings.

16. As an important part of the Secretary-General's reform, UNODC has also been requested to contribute to two important United Nations initiatives that are of high relevance in the context of the peace and security reform pillar and in the provision of service by UNODC to Member States. In the thematic areas of counter-terrorism and migration, UNODC will reinforce its capacity to work alongside other United Nations entities in the development of greater centralized programming guidance and advice, oversight and quality support. Regarding counter-terrorism, UNODC and the Office of Counter-Terrorism have agreed on the placement of a senior expert at the D-1 level in New York as of late 2018 under a cost-sharing arrangement. For improved United Nations cooperation and UNODC representation in the area of migration, an expert at the P-4 level will further expand UNODC action and participation to the recently established United Nations Network on Migration (UNODC, the International Organization for Migration, the International Labour Organization, the United Nations Development Programme and the Office of the United Nations High Commissioner for Refugees). The UNODC expert will also support the preparation of the December 2018 meeting of Member States on the planned Global Compact for Safe, Orderly and Regular Migration, as well as the development of the new United Nations Network on Migration.

Table 2

**UNODC surge capacity: expenditure estimates and proposed funding sources**

(Millions of United States dollars)

	<i>Expenditure estimate</i>	<i>Programme support cost savings</i>	<i>Amount to be advanced from programme support cost funds</i>
<b>A. Reinforcement of field presence</b>			
Temporary placement of experts in the field and mission travel	1.5	(0.5)	1.0
<b>Subtotal</b>	<b>1.5</b>	<b>(0.5)</b>	<b>1.0</b>
<b>B. Positioning in thematic areas</b>			
Senior expert in counter-terrorism	0.1	(0.1)	–
Expert on migration	0.2	(0.2)	–
<b>Subtotal</b>	<b>0.3</b>	<b>(0.3)</b>	<b>–</b>
<b>Total</b>	<b>1.8</b>	<b>(0.8)</b>	<b>1.0</b>

17. Total resource requirements for the surge capacity amount to \$1.8 million. UNODC has identified savings of \$0.8 million under programme support cost funds and contemplates advancing the remaining \$1.0 million from programme support cost funds as a temporary measure. At the same time, UNODC is engaging with donors to ascertain the possible use of unspent balances of expired contributions and to obtain new contributions for this purpose.

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

### A. Revised cost estimates for the biennium 2018–2019

18. The revised estimates for all funds, showing the main determining factors and adjustments by year, are presented in tables 3 and 4 and in annex II below.

Table 3

#### Revised expenditure estimates for the biennium 2018–2019

(Millions of United States dollars)

	<i>Approved budget, 2018–2019</i>	<i>Adjustment of costing factors<sup>a</sup></i>	<i>Recosted budget 2018–2019</i>	<i>Saving measures</i>	<i>Proposed increases/ (decreases)</i>	<i>Revised estimates, 2018–2019</i>
<b>A. General-purpose funds</b>						
Post	7.4	0.1	7.5	(0.6)	0.4	7.3
Non-post	1.6	–	1.6	–	0.1	1.7
<b>Subtotal</b>	<b>9.0</b>	<b>0.1</b>	<b>9.1</b>	<b>(0.6)</b>	<b>0.5</b>	<b>9.0</b>
<b>B. Special-purpose funds</b>						
Drug programme	367.8	–	367.8	–	(51.5)	316.3
Crime programme <sup>b</sup>	304.7	–	304.7	–	27.9	332.5
<b>Subtotal</b>	<b>672.4</b>	<b>–</b>	<b>672.4</b>	<b>–</b>	<b>(23.6)</b>	<b>648.9</b>
<b>C. Programme support cost funds</b>						
Post	39.5	1.0	40.5	(1.9)	(0.4)	38.2
Non-post	10.4	–	10.4	–	3.4	13.8
<b>Subtotal</b>	<b>49.9</b>	<b>1.0</b>	<b>50.9</b>	<b>(1.9)</b>	<b>3.0</b>	<b>52.0</b>
<b>D. Regular budget<sup>c</sup></b>	<b>41.4</b>	<b>–</b>	<b>41.4</b>	<b>–</b>	<b>–</b>	<b>41.4</b>
<b>Total</b>	<b>772.8</b>	<b>1.1</b>	<b>773.9</b>	<b>(2.5)</b>	<b>(20.2)</b>	<b>751.3</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 2017.

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

<sup>c</sup> Including 2018–2019 regular budget resources in sections 16 and 23 of the programme budget.



Table 4  
**Revised expenditure estimates by years: 2018 and 2019**  
(Millions of United States dollars)

	2018			2019		
	Approved budget	Revised estimates	Percentage increase (decrease)	Approved budget	Revised estimates	Percentage increase (decrease)
<b>A. General-purpose funds</b>	<b>5.6</b>	<b>5.6</b>	<b>0.0</b>	<b>3.4</b>	<b>3.4</b>	<b>0.0</b>
<b>B. Special-purpose funds</b>						
Drug programme	206.2	144.8	(29.8)	161.5	171.6	6.2
Crime programme	159.2	153.4	(3.6)	145.5	179.1	23.1
<b>Subtotal</b>	<b>365.4</b>	<b>298.2</b>	<b>(18.4)</b>	<b>307.0</b>	<b>350.7</b>	<b>14.2</b>
<b>C. Programme support cost funds</b>	<b>24.5</b>	<b>24.1</b>	<b>(1.7)</b>	<b>25.4</b>	<b>27.9</b>	<b>9.8</b>
<b>D. Regular budget</b>	<b>20.9</b>	<b>20.9</b>	<b>–</b>	<b>20.5</b>	<b>20.5</b>	<b>–</b>
<b>Total</b>	<b>416.4</b>	<b>348.8</b>	<b>(16.2)</b>	<b>356.3</b>	<b>402.5</b>	<b>13.0</b>

### Special-purpose funds

19. Programme delivery is projected at \$648.9 million, a decrease of \$23.6 million (3.5 per cent) from the initial budget of \$672.4 million. The lower projected delivery in 2018 of \$298.2 million reflects a decrease of 18.4 per cent versus the initial budget of \$365.4 million, whereas for 2019, a higher delivery of \$350.7 million is projected (14.2 per cent) versus the initial budget of \$307.0 million. The anticipated increase in delivery in 2019 of \$52.5 million (17.6 per cent) from 2018 will be monitored throughout the year.

20. The decrease in biennial programme projections reflects mainly lower delivery in Latin America and the Caribbean (with a revised amount of \$219.2 million, compared with an initial estimate of \$283.0 million), due to the delayed start of the new project on alternative development in Colombia. Following receipt of funding and recruitment of key project personnel, implementation has picked up as of the second half of 2018. For other countries in Latin America and the Caribbean, programme increases are projected for Bolivia (Plurinational State of), Brazil and Mexico. A decrease is projected for Panama due to slower than planned implementation of the criminal justice project.

21. For Africa and the Middle East, projections remain overall at the level of the initial 2018–2019 budget, with some reductions projected for the Middle East and North Africa (\$9.5 million), Nigeria (\$1.9 million) and East Africa (\$3.4 million), offset by projected programme expansions in West and Central Africa (\$11.0 million) and in Southern Africa (\$3.0 million).

22. Regional projections for South Asia, East Asia and the Pacific, West and Central Asia and Europe remain at similar levels as in the initial 2018–2019 budget, with some changes projected for individual country and regional programmes in those regions.

23. Global programmes managed from headquarters (Vienna) and implemented in a growing number of field locations have benefited from significant additional funding, with revised projections of expenditures of \$220.9 million, compared with an initial estimate of \$178.7 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

24. Programme support cost estimates have increased to \$52.0 million, reflecting adjustments for costing factors of \$1.0 million, corporate savings of \$1.9 million

(further explained in table 7) and additional requirements of \$3.0 million. The savings, which are the result of vacancies and delayed recruitment, will enable UNODC to cover increased central costs for Umoja (\$1.0 million), immediate requirements in the area of public affairs and policy support (\$0.2 million), and the re-establishment of the function of Deputy Director, Division for Operations at the D-1 level. This post is to support the overall management, direction, coordination and liaison for all surge activities in the Division for Operations and to steer through any adaptations of the UNODC field office network required to fit the reform context (\$0.4 million). Of the \$1.8 million for the one-off surge capacity, UNODC will also cover \$0.8 million from savings. UNODC contemplates advancing the remaining \$1.0 million from programme support cost funds, while at the same time engaging with donors on the possible use of unspent balances from expired contributions and on the provision of new contributions for this purpose. In addition, in line with the commitment made to Member States, UNODC is proposing to revise the funding arrangement for the Research and Trend Analysis Branch and to fund \$0.4 million of research activities from general-purpose funds instead of programme support cost funds in 2019. This approach continues to adhere to a balanced budget principle at \$52.0 million, while supporting selected field offices in the ongoing transition and reform processes throughout 2018–2019.

Table 5

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

(Millions of United States dollars)

	<i>Approved budget, 2018–2019</i>	<i>Adjustment of costing factors</i>	<i>Saving measures</i>	<i>Proposed increases/ (decreases)</i>	<i>Revised estimates, 2018–2019</i>
<b>A. Executive direction and management</b>	<b>4.0</b>	–	–	–	<b>4.0</b>
<b>B. Programme of work</b>					
Countering transnational organized crime	1.7	0.1	(0.3)	0.2	1.7
A comprehensive and balanced approach to counter the world drug problem	0.3	–	–	–	0.3
Countering corruption	0.4	–	–	–	0.4
Terrorism prevention	0.1	–	–	0.1	0.2
Justice	0.5	–	–	–	0.5
Research, trend analysis and forensics	1.7	0.1	–	(0.4)	1.3
Policy support	5.1	0.1	(0.2)	0.2	5.2
Technical cooperation and field support (headquarters)	6.3	0.1	–	0.4	6.8
Technical cooperation and field support (field offices)	2.9	(0.1)	–	1.5	4.3
<b>Subtotal, programme of work</b>	<b>19.0</b>	<b>0.3</b>	<b>(0.5)</b>	<b>2.0</b>	<b>20.8</b>
<b>C. Programme support</b>					
Division for Management	20.8	0.6	(1.2)	–	20.2
Other overarching services <sup>a</sup>	6.1	0.1	(0.2)	1.0	7.0
<b>Subtotal, programme support</b>	<b>26.9</b>	<b>0.7</b>	<b>(1.3)</b>	<b>1.0</b>	<b>27.2</b>
<b>Total</b>	<b>49.9</b>	<b>1.0</b>	<b>(1.9)</b>	<b>3.0</b>	<b>52.0</b>

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

**General-purpose funds**

25. The level of expenditure under general-purpose funds has been maintained at \$9.0 million for the biennium 2018–2019. Savings of \$0.6 million will cover

adjustments of costing factors (\$0.1 million) and enable UNODC to fund from general-purpose funds \$0.4 million of research activities previously budgeted under programme support cost funds, as well as additional requirements of \$0.1 million.

Table 6

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

(Millions of United States dollars)

	<i>Approved budget, 2018– 2019</i>	<i>Adjustment of costing factors</i>	<i>Saving measures</i>	<i>Proposed increases/ (decreases)</i>	<i>Revised estimates, 2018– 2019</i>
<b>A. Executive direction and management</b>	<b>0.4</b>	–	–	–	<b>0.4</b>
<b>B. Programme of work</b>					
Countering transnational organized crime	0.5	–	–	–	0.5
Justice	0.5	–	–	–	0.5
Research, trend analysis and forensics	2.8	0.1	(0.1)	0.5	3.3
Policy support	1.6	–	(0.1)	–	1.5
Technical cooperation and field support (field offices)	3.3	–	(0.4)	–	2.9
<b>Subtotal, programme of work</b>	<b>8.6</b>	<b>0.1</b>	<b>(0.6)</b>	<b>0.5</b>	<b>8.6</b>
<b>Total</b>	<b>9.0</b>	<b>0.1</b>	<b>(0.6)</b>	<b>0.5</b>	<b>9.0</b>

**Impact by fund**

26. 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 \$316.3 million, reflecting a decrease of \$51.5 million vis-à-vis the amount endorsed by the Commission in its resolution 61/1. The Commission is also requested to endorse revised estimates for programme support cost funds of \$25.4 million (an increase of \$0.5 million) and approve revised estimates for general-purpose funds of \$5.4 million, reflecting a decrease of \$1.0 million.

27. 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 \$332.5 million, reflecting an increase of \$27.9 million vis-à-vis the amount endorsed by the Commission in its resolution 27/1. The Commission is also requested to endorse revised estimates for programme support cost funds of \$26.5 million (an increase of \$1.6 million) and approve revised estimates for general-purpose funds of \$3.6 million, reflecting an increase of \$1.0 million.

**B. Full cost recovery**

28. In response to the persistent deterioration of general-purpose income and continuing pressure on regular budget and programme support costs, during the biennium 2014–2015, UNODC commenced linking its technical assistance activities to a system of full direct cost recovery. UNODC has monitored its cost structures against programme needs and transparently costed programme activities and improved its guidelines and procedures related to cost recovery and the use of funding sources and adapted them to Umoja. In 2016–2017, UNODC developed an early-warning tool on full cost recovery (the FCR Barometer), which was rolled out to all field offices in the first quarter of 2018. The FCR Barometer was developed as a risk management tool to provide senior management with regular updates on programme delivery, funding prospects and cost structures in place.

29. With this new tool and with the enhanced visibility and the timeliness and accuracy of information gained from Umoja, UNODC management has the means to

conduct more factual reviews of the financial situation and identify potential midterm solutions for maintaining the integrity of the field office network.

## C. Cost-saving measures

30. A mid-biennium review identified gross cost-saving measures at headquarters and in the field totalling \$3.4 million; those measures relate to short- and long-term efficiencies that can be undertaken without negatively affecting programme delivery.

Table 7

### Cost-saving measures in 2018–2019

(Millions of United States dollars)

		<i>Cost-saving amount</i>
<b>A. Headquarters</b>		
General-purpose funds	Delayed recruitment	0.2
Programme support cost funds	Delayed recruitment	1.9
<b>Subtotal</b>		<b>2.1</b>
<b>B. Field offices</b>		
General-purpose funds	Delayed recruitment, improved programme delivery	0.4
Field office direct support costs (full cost recovery)	Delayed recruitment, reclassifications, abolition of positions and other	0.9
<b>Subtotal</b>		<b>1.3</b>
<b>Total</b>		<b>3.4</b>

31. UNODC field offices continued systematic reviews of direct cost structures and staff components, and some offices implemented further savings and efficiency measures totalling \$0.9 million. The largest savings were reported by the country offices for Nigeria (\$0.6 million) and Afghanistan (\$0.2 million) and the Regional Office for Central Asia (\$0.1 million).

## D. Other Secretariat-wide initiatives

### United Nations management reform

32. UNODC is fully committed to the United Nations management reform approved by the General Assembly in its resolution [72/266](#) B, entitled “Shifting the management paradigm in the United Nations”, and its resolution [72/303](#), entitled “Progress towards an accountability system in the United Nations Secretariat”. After the launch of the human resources operational strategy for 2018–2021, which is based on the three interconnected pillars of service delivery, talent management and organizational culture, UNODC is contributing actively to the development of the new human resources strategy of the United Nations to be submitted for consideration by the General Assembly at its seventy-third session.

33. UNODC is also a member of the task force formed by the United Nations Controller to review the existing system of delegation of authority and financial regulations and rules with a view to proposing a framework for strengthening the accountability process. The new system of delegation will establish well-defined roles and responsibilities of the individuals at all levels to whom authority is to be delegated, include systematic reporting mechanisms, risk mitigation and safeguard measures, and identify actions to be taken in cases of mismanagement or abuse of authority.

34. With regard to the budget reform, UNODC will present to Member States the programme implementation plan for 2020 in the new format which is directly aligned with the Sustainable Development Goals and the Charter of the United Nations.

35. UNODC will also be impacted by the implementation of the global service delivery model. Notwithstanding a revised proposal to be submitted by the Secretary-General at the first resumed part of its seventy-third session of the General Assembly, it is highly likely that the overall scope of services will continue to encompass location independent functions in the areas of the administration of human resources entitlements, payroll, accounts payable, travel and bank reconciliations. Many of the details of the operating model, transitional measures, client service and support modalities and funding arrangements are still under consideration and will be further refined over the coming months. Similarly, field offices will also be impacted by the planned creation of common country team operational platforms and back-office support functions currently being considered in the context of the United Nations development system reform.

### **Umoja**

36. The main deployment efforts in the period 2018–2019 have been focused on delivery of the Umoja Extension 2 (UE2) project. It is expected that the UE2 functionality roll-out critical to United Nations at Vienna (UNOV)/UNODC operations would streamline and integrate the processes in the following areas: (a) strategic planning, budget planning and performance management, including strategic, programme and project management; (b) fundraising and donor relationship management; and (c) implementing partner management.

37. It is planned that the UE2 roll-out will be carried out in a sequence of releases as of the end September 2018 until mid-2019, by which time all the above-mentioned functionalities should be ready for use. With the September release, fundraising and donor relationship management functionality was started.

38. UNODC keeps abreast of the UE2 release schedule and its impact on data preparation, integration and training needs. One of the core goals is to incorporate lessons learned from the roll-out of previous Umoja releases and mitigate transition- and process-related disruption of operations to the extent possible. Functional experts are working on all facets of the UE2 project along with the Umoja core team to ensure that the design, testing and training activities are efficiently managed across the organization.

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

39. The Board of Auditors issued an unqualified opinion on the Office's 2017 financial statements on the basis that they presented fairly the financial position and financial performance of UNODC in accordance with IPSAS. The Board of Auditors issued a number of recommendations in all areas, inter alia, IPSAS policies, contributions management, asset and liability accounting, cash management, procurement, travel management, programme management and the Sustainable Development Goals.

40. The 2018 mid-year closing was the starting point for IPSAS sustainability and sound management accounting. With the ultimate goal of producing IPSAS-compliant quarterly results as of 2021, UNODC continues to incorporate the IPSAS financial disciplines into the business processes and programme delivery culture of UNODC and provide remedial IPSAS-Umoja training.

### **Enterprise risk management initiative**

41. The joint enterprise risk management framework launched in August 2014 by UNOV and UNODC has been fully rolled out, including to the field office network. In addition to focusing on two priority risk areas (organizational transformation and Umoja; and financial contributions and extrabudgetary funding), following the

roll-out of the Anti-Fraud and Anti-Corruption Framework of the United Nations Secretariat, UNODC is planning to conduct a fraud and corruption risk assessment, which would be integrated in the institutional risk register along with the risk response and treatment plan in early 2019.

### **Results-based management**

42. UNODC strengthened its culture of results-based management in the context of the 2030 Agenda for Sustainable Development, as requested by the General Assembly in resolution 71/243 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system and is currently undergoing a peer review of the results-based management approach in UNODC.

43. In addition, UNODC stepped up its efforts to integrate the 2030 Agenda into ongoing and new programmes through a series of capacity-building measures, including through the training of UNODC staff at multiple duty stations. The alignment of UNODC interventions at the global, regional and country levels with the Sustainable Development Goals is aimed at fostering result-orientation and allows for systematic planning, monitoring, and reporting. UNODC continues to promote a culture of continuous institutional learning and published the third edition of a results-based annual programme-level report that is helping to identify emerging priorities and gaps.

## **E. Fund balances**

44. Table 1 shows the fund balances for all funds of which unrestricted reserves amount to the aggregate of general-purpose funds and programme support cost funds balances of \$8.2 million. Attention is drawn to the fact that the reserves are net of employee after-service liabilities as determined under the IPSAS principles. 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 \$324 million that is projected for this biennium, UNODC would have needed \$58.4 million of reserves for full compliance. At the level of \$8.2 million representing unrestricted reserves, UNODC does not meet this target. 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.

## **V. Conclusions**

45. Based on delivery assumptions of mid-2018, UNODC has adjusted its projections of technical assistance to show a more realistic delivery at mid-biennium. Accordingly, the special purpose fund utilization has been revised to \$648.9 million. The programme support cost budget is being increased to \$52.0 million, also as an interim measure to provide for the new surge activities to position UNODC and its field office network in the United Nations development system reform. The general-purpose fund budget is maintained at \$9.0 million on the premise that the projected income will be realized.

46. To address the inherent financial risk linked to the management of its field office network, UNODC has rolled out the full cost recovery barometer (FCR Barometer) as an early-warning tool that will allow senior management to take timely and appropriate decisions on measures related to the integrity of the field office network.

47. UNODC is also fully participating in the United Nations reforms and preparing for the implementation of Umoja Extension 2, which should enhance its ability to plan, monitor and report on the Office's activities and performance.

48. UNODC continues to seek the support of Member States in order to secure continuous and predictable contributions to the general-purpose fund.
49. The texts of the draft resolutions being proposed are provided in annexes IV and V.

## Annex I

### **Allocation of special-purpose voluntary contributions in the bienniums 2016–2017 and 2018–2019**

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 increase of \$198.4 million (44.0 per cent), from \$450.4 million in the biennium 2016–2017 to \$648.9 million in the biennium 2018–2019, of the programme of work financed by special-purpose voluntary contributions. In addition, the description below is presented by region in accordance with the request of the Advisory Committee on Administrative and Budgetary Questions that UNODC should carefully monitor changing geographical needs.

2. In Africa and the Middle East, an increase of \$15.1 million (15.3 per cent), from \$98.8 million in the biennium 2016–2017 to \$114.0 million in the biennium 2018–2019, is projected. In the Middle East and North Africa, UNODC is expanding its activities with a focus on countering trafficking and organized crime, including the increasing linkages to terrorist groups. Comprehensive regional projects are aimed at strengthening border control and intelligence-based investigations throughout the region, and also at dismantling criminal networks engaged in migrant smuggling in North Africa, including Libya. In East Africa, the regional programme presents a basis for sustained multi-year initiatives, which also address trafficking in persons and the smuggling of migrants. UNODC has joined the Better Migration Management programme. For criminal justice and prison reform, a major multi-year partnership for prison reform was concluded with Kenya in late 2017, and progress was made in establishing the Mogadishu Prison and Court Complex in Somalia. Countering maritime crime in the Horn of Africa will continue to be a cornerstone of UNODC activities. In West Africa, the comprehensive response of UNODC to the United Nations integrated strategy for the Sahel is expanding in line with the continued interest and commitment of Member States to support the region, in close coordination with the Group of Five for the Sahel (G-5 Sahel) and with the framework of the United Nations Support Plan for the Sahel. Cooperation between the European Union and UNODC in support of the Economic Community of West African States Regional Action Plan to Address the Growing Problem of Illicit Drug Trafficking, Organized Crime and Drug Abuse in West Africa continues to constitute a large part of activities in the region. Further to ongoing work with the European Union in Nigeria, new country-level action in synergy with the Regional Programme for West Africa is under development. The Airport Communication Project, which is helping to establish real-time operational communication between international airports in Africa and in Latin America and the Caribbean, has been expanded to include countries in North and Southern Africa with expansion to East Africa in 2018. In Southern Africa, UNODC continues to support Member States under its regional programme in the areas of HIV and AIDS, gender-based violence, trafficking in persons, anti-corruption efforts, wildlife crime and money-laundering. UNODC has obtained funding to expand partnerships and operations of the UNODC Regional Office for Southern Africa.

3. In South Asia, East Asia and the Pacific, an increase of \$8.0 million (36.4 per cent), from \$21.9 million in the biennium 2016–2017 to \$29.8 million in the biennium 2018–2019 is projected, owing mainly to strong programming and increased donor funding. Sustained partner interest has been achieved in South-East Asia on legal reform and on countering the drug threat, organized crime and terrorism threats, in partnership with the Association of Southeast Asian Nations. Support to subregional cooperation through the memorandum of understanding on drug control in the Greater Mekong subregion contributes to assisting six countries in addressing the threat of illicit drugs. Regional partners also support UNODC in bolstering border management against transnational crime through a growing network of border liaison offices. Donor support for the country programme in Myanmar remains significant,



while a new multi-year programme for Indonesia, launched in 2017, is expected to boost UNODC action in the country. In South Asia, newly funded project activities and the finalization of a new regional programme are raising the profile of and creating opportunities for UNODC. The recent strengthening of the programme presence in Bangladesh and the redeployment to Sri Lanka of the team managing the Global Maritime Crime Programme are also paving the way for increased regional cooperation.

4. In West and Central Asia, the increase of \$4.2 million (7.4 per cent), from \$57.3 million in the biennium 2016–2017 to \$61.5 million in the biennium 2018–2019, reflects a modest increase in funding for the country programmes in Afghanistan and higher projections for Pakistan and the Regional Programme for Central Asia. UNODC is working in West and Central Asia in accordance with the interregional drug control approach, with Afghanistan at its core, in line with a road map entitled “One UNODC concerted approach interconnecting Europe with West and Central Asia” and the new initiatives responding to the threats of increasing opiate production. UNODC will continue building national capacity and fostering regional cooperation in coordination with the Paris Pact initiative and the Heart of Asia-Istanbul Process on Regional Security and Cooperation for a Secure and Stable Afghanistan. Interventions on alternative livelihoods, the building of capacity of law enforcement and the countering of money-laundering and the financing of terrorism will be scaled up.

5. In Eastern and South-Eastern Europe, an increase from \$0.6 million in the biennium 2016–2017 to \$3.6 million in the biennium 2018–2019 is projected. The growth includes interventions on anti-money-laundering, container control, human trafficking, the smuggling of migrants, and HIV/AIDS prevention, treatment and care, among others. The UNODC strategic partnership and programmatic actions in Eastern Europe was launched in 2018. In South-Eastern Europe, the new partnership with the European Union provides new areas for targeted and strategic UNODC interventions in the region within the framework of the regional programme. The programme supports comprehensive goals in the fight against global crime and synergizes policy advice and technical assistance to counter the trafficking of heroin from Afghanistan, in line with the “One UNODC concerted approach interconnecting Europe with West and Central Asia”. The Programme continues to assist countries of the region in their European Union pre-accession process.

6. In Latin America and the Caribbean, an increase of \$111.3 million (103.3 per cent), from \$107.8 million in the biennium 2016–2017 to \$219.2 million in the biennium 2018–2019 is projected, largely driven by the new government-funded alternative development project in Colombia to limit illicit drug production in the context of the implementation of the 2016 peace agreement, with a total budget of \$315.0 million until 2020. With the receipt of funding and recruitment of key personnel in Colombia, project delivery has been accelerating as of the second half of 2018. In Mexico, new projects on smuggling of migrants, anti-corruption, gender violence, criminal justice and prison reform contribute to a further portfolio increase and expanded cooperation between the UNODC Liaison and Partnership Office and the host Government at the federal and state levels. The UNODC Country Office in Peru continues to support specialized work in monitoring illicit crops and also aims to bring about a more comprehensive monitoring of illicit crops and is expanding into new areas, notably gender violence, forest crime and anti-corruption, also in the context of the memorandum of understanding of September 2017 between Ecuador and UNODC on support to national anti-corruption efforts. The strengthened partnership with the Government of the Plurinational State of Bolivia bodes well not only for the implementation of the UNODC country programme for the period 2016–2020, which addresses coca and comprehensive development, health and drug control, prevention and the fight against crime and organized crime, prevention and the fight against corruption, and criminal justice reform, but also because it has expanded into new areas such as trafficking in persons, border control and environmental crimes. The UNODC Regional Office for Central America and the Caribbean continues to

support the implementation of the adversarial legal system in Panama, and to strengthen UNODC cooperation with Panama through projects addressing trafficking in persons, firearms control and organized crime and projects for statistics. Initiatives in El Salvador focus on human trafficking, the smuggling of migrants and capacity-building to counter organized crime, while support to address cybercrime and corruption continues to be provided. In the Caribbean, UNODC continues to provide technical assistance in key focus areas, including border control. In Brazil, the Liaison and Partnership Office has been challenged by declining funding and other external factors but has retained some activities in support of youth crime prevention, countering human trafficking and the smuggling of migrants. UNODC expects to start a new government-funded project in late 2018 focusing on HIV and drug use prevention, treatment and care. Consultations have advanced on potential new partnerships with Argentina, Chile and Uruguay related to justice, security, crime prevention and organized crime, including human trafficking. Additional funding is required for the Liaison and Partnership Office and both its national and broader regional work.

7. Globally, an increase of \$56.8 million (34.6 per cent), from \$164.0 million in the biennium 2016–2017 to \$220.9 million in the biennium 2018–2019, is projected. UNODC global programmes continue to expand in several thematic areas and increase their field-based programme components, in line with the needs of Member States. The drive towards integrated programming of all UNODC operational activities has continued, and internal policies and guidelines on programme cooperation and coordination have been further strengthened. Global programmes that contributed to the expansion included the following: the programme on strengthening the legal regime against terrorism; 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; the UNODC/World Customs Organization Container Control Programme; the Global Programme for Combating Wildlife and Forest Crime, which is expanding, particularly in East and Southern Africa and Central Africa; the Global Programme against Money-Laundering, Proceeds of Crime and the Financing of Terrorism; the Global Programme against Corruption; the Global Action to Prevent and Address Trafficking in Persons and the Smuggling of Migrants; the global programmes on HIV/AIDS, drug use, prevention and treatment; the programme on strengthening criminal investigation and criminal justice cooperation along the cocaine route in Latin America, the Caribbean and West Africa (CRIMJUST); and the programme on global prison challenges. The Global Maritime Crime Programme, traditionally focused on the Indian and Atlantic Ocean, has been expanded to include the Pacific Ocean area, and concluded an assessment of needs in the Caribbean.

Table

**Programme of work funded from special-purpose voluntary contributions in the bienniums 2016–2017 and 2018–2019**

(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>2016–2017 (actual amount)</i>	<i>2018–2019 (revised)</i>	<i>Variance (percentage)</i>	<i>2016–2017 (actual amount)</i>	<i>2018–2019 (revised)</i>	<i>Variance (percentage)</i>	<i>2016–2017 (actual amount)</i>	<i>2018–2019 (revised)</i>	<i>Variance (percentage)</i>
<b>A. By theme</b>									
Policymaking organs	–	–	–	–	–	–	–	–	–
Executive direction and management	989.4	2 121.8	114.5	–	–	–	989.4	2 121.8	114.5
Programme of work:									
Countering transnational organized crime	64 013.7	79 082.3	23.5	86 713.0	141 397.9	63.1	150 726.7	220 480.2	46.3
A comprehensive and balanced approach to counter the world drug problem	121 127.3	201 677.0	66.5	228.2	28.2	-87.6	121 355.5	201 705.2	66.2
Countering corruption	–	–	–	32 173.6	43 510.6	35.2	32 173.6	43 510.6	35.2
Terrorism prevention	–	–	–	21 759.0	27 175.2	24.9	21 759.0	27 175.2	24.9
Justice	2 069.9	–	(100.0)	61 397.1	78 163.2	27.3	63 467.0	78 163.2	23.2
Research, trend analysis and forensics <sup>a</sup>	16 683.5	21 985.2	31.8	26 396.2	31 303.9	18.6	43 079.7	53 289.1	23.7
Policy support	1 173.4	1 278.8	9.0	1 997.6	3 670.1	83.7	3 171.0	4 949.0	56.1
Technical cooperation and field support	4 063.2	4 915.5	21.0	1 215.3	2 185.1	79.8	5 278.4	7 100.6	34.5
Provision of secretariat services and substantive support to the United Nations intergovernmental bodies, the International Narcotics Control Board and the United Nations Congress on Crime Prevention and Criminal Justice	2 349.0	3 375.7	43.7	–	–	–	2 349.0	3 375.7	43.7
Programme support	1 478.6	1 884.2	27.4	4 613.1	5 100.0	10.6	6 091.7	6 984.2	14.7
<b>Total</b>	<b>213 948.0</b>	<b>316 320.6</b>	<b>47.8</b>	<b>236 493.1</b>	<b>332 534.1</b>	<b>40.6</b>	<b>450 441.1</b>	<b>648 854.7</b>	<b>44.0</b>

	<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>2016–2017 (actual amount)</i>	<i>2018–2019 (revised)</i>	<i>Variance (percentage)</i>	<i>2016–2017 (actual amount)</i>	<i>2018–2019 (revised)</i>	<i>Variance (percentage)</i>	<i>2016–2017 (actual amount)</i>	<i>2018–2019 (revised)</i>	<i>Variance (percentage)</i>
<b>B. By region</b>									
Africa and the Middle East	25 917.2	38 379.9	48.1	72 904.2	75 590.7	3.7	98 821.4	113 970.7	15.3
South Asia, East Asia and the Pacific	9 787.7	9 685.0	(1.0)	12 063.5	20 126.8	66.8	21 851.3	29 811.8	36.4
West and Central Asia	45 798.5	42 216.7	(7.8)	11 445.3	19 258.4	68.3	57 243.8	61 475.2	7.4
Eastern and South-Eastern Europe	571.6	952.5	66.6	98.8	2 633.6	2566.5	670.3	3 586.1	435.0
Latin America and the Caribbean	81 892.8	168 231.0	105.4	25 927.3	50 928.4	96.4	107 820.1	219 159.4	103.3
Global <sup>a</sup>	49 980.1	56 855.4	13.8	114 054.0	163 996.2	43.8	164 034.1	220 851.6	34.6
<b>Total</b>	<b>213 948.0</b>	<b>316 320.6</b>	<b>47.8</b>	<b>236 493.1</b>	<b>332 534.1</b>	<b>40.6</b>	<b>450 441.1</b>	<b>648 854.7</b>	<b>44.0</b>
<b>C. By division</b>									
Office of the Executive Director	989.4	2 121.8	114.5	–	–	–	989.4	2 121.8	114.5
Division for Operations <sup>b</sup>	181 885.7	278 081.0	52.9	145 451.1	22 0541.9	51.6	327 336.7	498 622.9	52.3
Division for Treaty Affairs	23 428.5	26 504.3	13.1	61 613.3	78 693.9	27.7	85 041.8	105 198.2	23.7
Division for Policy Analysis and Public Affairs	6 167.1	7 729.3	25.3	3 516.8	6 622.7	88.3	9 683.9	14 352.0	48.2
Division for Management	1 477.3	1 884.2	27.5	4 624.8	5 100.0	10.3	6 102.1	6 984.2	14.5
United Nations Interregional Crime and Justice Research Institute	–	–	–	21 287.2	21 575.6	1.4	21 287.2	21 575.6	1.4
<b>Total</b>	<b>213 948.0</b>	<b>316 320.6</b>	<b>47.8</b>	<b>236 493.1</b>	<b>332 534.1</b>	<b>40.6</b>	<b>450 441.1</b>	<b>648 854.7</b>	<b>44.0</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 2018–2019

## Revised resource projections for the biennium 2018–2019

(Thousands of United States dollars)

<i>Category</i>	<i>2018</i>	<i>2019</i>	<i>2018–2019</i>
<b>A. General-purpose funds</b>			
Post	4 158.2	3 191.4	7 349.6
Non-post	1 400.8	263.3	1 664.1
<b>Subtotal</b>	<b>5 559.0</b>	<b>3 454.7</b>	<b>9 013.7</b>
<b>B. Special-purpose funds</b>			
Drug programme	144 763.6	171 557.0	316 320.6
Crime programme	153 409.5	179 124.6	332 534.1
<b>Subtotal</b>	<b>298 173.1</b>	<b>350 681.6</b>	<b>648 854.7</b>
<b>C. Programme support cost funds</b>			
Post	17 397.7	20 789.9	38 187.6
Non-post	6 702.8	7 061.6	13 764.4
<b>Subtotal</b>	<b>24 100.4</b>	<b>27 851.5</b>	<b>51 952.0</b>
<b>D. Regular budget</b>	<b>20 930.2</b>	<b>20 506.7</b>	<b>41 436.9</b>
<b>Total</b>	<b>348 762.7</b>	<b>402 494.6</b>	<b>751 257.3</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 2016–2017 and 2018–2019**  
(Thousands of United States dollars)

		2016–2017 actual amount				2018–2019 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.</b>	<b>A. Funding</b>								
	Fund balances at biennium start	2 047.4	191 881.9	3 147.1	19 7076.4	1 184.8	279 336.9	6 882.3	287 403.9
	<b>Subtotal A</b>	<b>2 047.4</b>	<b>191 881.9</b>	<b>3 147.1</b>	<b>197 076.4</b>	<b>1 184.8</b>	<b>279 336.9</b>	<b>6 882.3</b>	<b>287 403.9</b>
	<b>B. Income</b>								
	Member States	4 354.5	29 6561.7	–	300 916.2	4 444.3	259 928.7	–	264 372.9
	International organizations and other intergovernmental organizations and other entities		25 262.2	–	25 262.2	–	8 444.5	–	8 444.5
	Multi-donor trust funds	–	25.8	–	25.8	–	–	–	–
	United Nations agencies	–	4 854.0	–	4 854.0	–	13 372.2	–	13 372.2
	Private donations	–	4 896.1	–	4 896.1	–	461.7	–	461.7
	Other income	384.9	4 338.8	56.2	4 779.8	–	–	–	–
	<b>Subtotal income</b>	<b>4 739.3</b>	<b>335 938.6</b>	<b>56.2</b>	<b>340 734.1</b>	<b>4 444.3</b>	<b>282 207.0</b>	<b>–</b>	<b>286 651.3</b>
	Programme support income for UNODC		(23 551.0)	23 551.0	–		(23 393.7)	23 393.7	–
	Programme support paid to implementing partners		442.3	(442.3)	–		207.9	(207.9)	–
	<b>Subtotal B</b>	<b>4 739.3</b>	<b>312 829.8</b>	<b>23 164.9</b>	<b>340 734.1</b>	<b>4 444.3</b>	<b>259 021.2</b>	<b>23 185.8</b>	<b>286 651.3</b>
	<b>Total I (A+B)</b>	<b>6 786.7</b>	<b>504 711.7</b>	<b>26 312.0</b>	<b>537 810.5</b>	<b>5 629.0</b>	<b>538 358.1</b>	<b>30 068.1</b>	<b>574 055.2</b>
<b>II.</b>	<b>C. Expenditure</b>								
	Executive direction and management	365.4	989.4	1 413.0	2 767.8	403.6	2 121.8	2 596.0	5 121.4
	<i>Programme of work:</i>								–
	Countering transnational organized crime	–	64 013.7	280.1	64 293.8	–	79 082.3	222.9	79 305.3
	A comprehensive and balanced approach to counter the world drug problem	–	121 127.3	276.8	121 404.1	–	201 677.0	327.6	202 004.6

		2016–2017 actual amount				2018–2019 revised budget			
		General-purpose funds	Special-purpose funds	Programme support cost funds	Total	General-purpose funds	Special-purpose funds	Programme support cost funds	Total
	Countering corruption	–	–	129.8	129.8	–	–	–	–
	Terrorism prevention	–	–	–	–	–	–	68.5	68.5
	Justice	–	2 069.9	–	2 069.9	–	–	–	–
	Research, trend analysis and forensics	3 162.3	16 683.5	414.4	20 260.2	2 967.6	21 985.2	943.4	25 896.3
	Policy support	1 255.3	1 173.4	1 781.3	4 209.9	1 450.9	1 278.8	2 849.5	5 579.3
	Technical cooperation and field support	1 155.3	4 063.2	5 473.2	10 691.6	581.1	4 915.5	5 135.9	10 632.5
	Provision of secretariat services and substantive support to the United Nations intergovernmental bodies, the International Narcotics Control Board and the United Nations Congress on Crime Prevention and Criminal Justice	–	2 349.0	–	2 349.0	–	3 375.7	–	3 375.7
	Programme support	33.6	1 478.6	8 413.0	9 925.2	–	1 884.2	13 282.4	15 166.6
	<b>Total II (A+B+C)</b>	<b>5 971.9</b>	<b>213 948.0</b>	<b>18 181.5</b>	<b>238 101.4</b>	<b>5 403.2</b>	<b>316 320.6</b>	<b>25 426.3</b>	<b>347 150.1</b>
<b>III.</b>	<b>Other adjustments to fund balances <sup>a</sup></b>	(369.9)	11 426.9	1 248.2	12 305.2	–	–	–	–
	<b>Total III</b>	<b>(369.9)</b>	<b>11 426.9</b>	<b>1 248.2</b>	<b>12 305.2</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
	<b>Fund balances at biennium end (I-II+III)</b>	<b>1 184.8</b>	<b>279 336.9</b>	<b>6 882.3</b>	<b>312 014.4</b>	<b>225.8</b>	<b>222 037.5</b>	<b>4 641.8</b>	<b>226 905.1</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 2016–2017 and 2018–2019 (Thousands of United States dollars)

	2016–2017 actual amount				2018–2019 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. A. Funding</b>								
Fund balances at biennium start	10.9	255 849.1	68.0	255 928.0	1 634.0	307 346.2	(516.4)	308 463.8
<b>Subtotal A</b>	<b>10.9</b>	<b>255 849.1</b>	<b>68.0</b>	<b>255 928.0</b>	<b>1 634.0</b>	<b>307 346.2</b>	<b>(516.4)</b>	<b>308 463.8</b>
<b>B. Income</b>								
Member States	3 446.7	246 578.8	–	250 025.5	3 591.6	254 298.8	–	257 890.4
International organizations and other intergovernmental organizations and other entities	–	54 852.0	–	54 852.0	–	75 534.6	–	75 534.6
Multi-donor trust funds	–	10 186.4	–	10 186.4	–	2 608.9	–	2 608.9
United Nations agencies	–	1 067.3	–	1 067.3	–	13 452.6	–	13 452.6
Private donations	–	72.4	–	72.4	–	1 264.6	–	1 264.6
Other income	14.0	12 167.7	68.9	12 250.7	–	–	–	–
<b>Subtotal income</b>	<b>3 460.7</b>	<b>324 924.7</b>	<b>68.9</b>	<b>328 454.3</b>	<b>3 591.6</b>	<b>347 159.5</b>	<b>–</b>	<b>350 751.1</b>
Programme support income for UNODC	–	(23 772.0)	23 772.0	–	–	(29 093.7)	29 093.7	–
Programme support paid to implementing partners	–	775.7	(775.7)	–	–	269.8	(269.8)	–
<b>Subtotal B</b>	<b>3 460.7</b>	<b>301 928.5</b>	<b>23 065.2</b>	<b>328 454.3</b>	<b>3 591.6</b>	<b>318 335.6</b>	<b>28 823.9</b>	<b>350 751.1</b>
<b>Total I (A+B)</b>	<b>3 471.6</b>	<b>557 777.6</b>	<b>23 065.2</b>	<b>584 382.3</b>	<b>5 225.6</b>	<b>625 681.8</b>	<b>28 307.5</b>	<b>659 214.9</b>
<b>II. C. Expenditure</b>								
Executive direction and management	–	–	1 707.2	1 707.2	–	–	1 377.8	1 377.8
<i>Programme of work:</i>								
Countering transnational organized crime	448.1	86 713.0	405.6	87 566.7	474.4	141 397.9	1 463.2	143 335.5
A comprehensive and balanced approach to counter the world drug problem	–	228.2	–	228.2	–	28.2	–	28.2
Countering corruption	–	32 173.6	351.1	32 524.6	–	43 510.6	411.7	43 922.3
Terrorism prevention	–	21 759.0	88.3	21 847.3	–	27 175.2	169.4	27 344.6
Justice	610.6	61 397.1	–	62 007.7	490.6	78 163.2	533.9	79 187.7
Research, trend analysis and forensics	390.6	26 396.2	505.8	27 292.5	327.7	31 303.9	401.9	32 033.5
Policy support	–	1 997.6	2 199.9	4 197.5	–	3 670.1	2 348.4	6 018.5
Technical cooperation and field support	557.4	1 215.3	6 422.2	8 194.9	2 317.7	2 185.1	5 923.8	10 426.6



2016–2017 actual amount					2018–2019 revised budget			
	General-purpose funds	Special-purpose funds	Programme support cost funds	Total	General-purpose funds	Special-purpose funds	Programme support cost funds	Total
Programme support	1.5	4 613.1	10 699.1	15 313.7	–	5 100.0	13 895.6	18 995.6
<b>Total II (A+B+C)</b>	<b>2 008.1</b>	<b>236 493.1</b>	<b>22 379.2</b>	<b>260 880.4</b>	<b>3 610.5</b>	<b>332 534.1</b>	<b>26 525.7</b>	<b>362 670.3</b>
<b>III. Other adjustments to fund balances<sup>b</sup></b>	(170.5)	13 938.3	1 270.3	15 038.1	–	–	–	–
<b>Total III</b>	<b>(170.5)</b>	<b>13 938.3</b>	<b>1 270.3</b>	<b>15 038.1</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Fund balances at biennium end (I-II+III)</b>	<b>1 634.0</b>	<b>307 346.2</b>	<b>(516.4)</b>	<b>308 463.8</b>	<b>1 615.2</b>	<b>293 147.6</b>	<b>1 781.9</b>	<b>296 544.7</b>

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

<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 2018–2019 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 2018–2019 for the United Nations Office on Drugs and Crime,<sup>1</sup>

*Recalling* its resolution 61/1 of 14 March 2018,

1. *Notes* that the report of the Executive Director on the implementation of the consolidated budget for the biennium 2018–2019 for the United Nations Office on Drugs and Crime<sup>1</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 involvement of the United Nations Office on Drugs and Crime in the United Nations reform streams;
4. *Notes* the cost-saving measures taken by the United Nations Office on Drugs and Crime to maintain general-purpose expenditure at 5,403,200 United States dollars and programme support cost expenditure at 25,426,300 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, 2018–2019</i>	<i>Revised budget, 2018–2019</i>	<i>Approved budget, 2018–2019</i>	<i>Revised budget, 2018–2019</i>
<b>General-purpose funds</b>				
Post	5 565.6	4 359.3	16	16
Non-post	885.6	1 043.9		
<b>Subtotal</b>	<b>6 451.2</b>	<b>5 403.2</b>	<b>16</b>	<b>16</b>
<b>Special-purpose funds</b>	367 777.4	316 320.6	135	135
<b>Subtotal</b>	<b>367 777.4</b>	<b>316 320.6</b>	<b>135</b>	<b>135</b>
<b>Programme support cost funds</b>				
Post	20 437.3	19 572.7	67	67
Non-post	4 470.0	5 853.6		
<b>Subtotal</b>	<b>24 907.3</b>	<b>25 426.3</b>	<b>67</b>	<b>67</b>
<b>Total</b>	<b>399 135.9</b>	<b>347 150.1</b>	<b>218</b>	<b>218</b>

<sup>1</sup> [E/CN.7/2018/14–E/CN.15/2018/16](#).

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 2018–2019 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 2018–2019 for the United Nations Office on Drugs and Crime,<sup>1</sup>

*Recalling* its resolution 27/1 of 16 May 2018,

1. *Notes* that the report of the Executive Director on the implementation of the consolidated budget for the biennium 2018–2019 for the United Nations Office on Drugs and Crime<sup>1</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 involvement of the United Nations Office on Drugs and Crime in the United Nations reform streams;
4. *Notes* the cost-saving measures taken by the United Nations Office on Drugs and Crime to maintain general-purpose expenditure at 3,610,500 United States dollars and programme support cost expenditure at 26,525,700 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

	<i>Resources (thousands of United States dollars)</i>		<i>Posts</i>	
	<i>Approved budget, 2018–2019</i>	<i>Revised budget, 2018–2019</i>	<i>Approved budget, 2018–2019</i>	<i>Revised budget, 2018–2019</i>
<b>General-purpose funds</b>				
Post	1 886.0	2 990.2	6	6
Non-post	701.4	620.3		
<b>Subtotal</b>	<b>2 587.3</b>	<b>3 610.5</b>	<b>6</b>	<b>6</b>
<b>Special-purpose funds</b>	304 661.1	332 534.1	238	238
<b>Subtotal</b>	<b>304 661.1</b>	<b>332 534.1</b>	<b>238</b>	<b>238</b>
<b>Programme support cost funds</b>				
Post	19 034.3	18 614.9	63	63
Non-post	5 938.5	7 910.8		
<b>Subtotal</b>	<b>24 972.8</b>	<b>26 525.7</b>	<b>63</b>	<b>63</b>
<b>Total</b>	<b>332 221.2</b>	<b>362 670.3</b>	<b>307</b>	<b>307</b>

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

<sup>1</sup> E/CN.7/2018/14–E/CN.15/2018/16.