



Commission on Narcotic Drugs
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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-eighth session
Vienna, 12 and 13 December 2019
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

Consolidated budget for the biennium 2020–2021 for the United Nations Office on Drugs and Crime

Report of the Advisory Committee on Administrative and Budgetary Questions

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Executive Director on the consolidated budget for the biennium 2020–2021 for the United Nations Office on Drugs and Crime (UNODC) ([E/CN.7/2019/14-E/CN.15/2019/16](#)). During its consideration of the report, the Committee met with representatives of UNODC, who provided additional information and clarifications, concluding with written responses received on 12 November 2019.

2. The consolidated budget for the biennium 2020–2021 for UNODC reflects resource projections from both voluntary contributions and the regular budget of the United Nations and is submitted to the Commission on Narcotic Drugs and the Commission on Crime Prevention and Criminal Justice, pursuant to General Assembly resolutions [46/185 C](#) and [61/252](#), section XI. As indicated in paragraph 2 of the report of the Executive Director, voluntary contributions to UNODC are budgeted and accounted for separately under the Fund of the United Nations International Drug Control Programme and the United Nations Crime Prevention and Criminal Justice Fund. The financial position of the Fund of the United Nations International Drug Control Programme and the United Nations Crime Prevention and Criminal Justice Fund is set out in annex III to the report of the Executive Director. Unearmarked voluntary contributions go into the general-purpose funds, established to finance limited core programmatic functions not funded by the regular budget, including normative work and research, institutional initiatives and programmatic shortfalls. Earmarked voluntary contributions go into special-purpose funds, established to finance the technical cooperation and other substantive activities of UNODC at headquarters (Vienna) and in the field. The proposed budget under the



general-purpose funds¹ is presented to the Commissions for approval. The budgets for special-purpose funds and the related administrative and programme support cost funds are presented to the Commissions for endorsement (*ibid.*, paras. 2–5).

3. In its resolution 72/266 A, the General Assembly approved the change from a biennial to an annual budget period on a trial basis, beginning with the programme budget for 2020. Consequently, the consolidated budget of UNODC for the biennium 2020–2021 includes regular budget resources for 2020, as submitted to the General Assembly in the proposed programme budget for 2020 (see A/74/6 (Sect. 16) and A/74/6 (Sect. 23)). The requirements for 2021 are extrapolated at a similar level as the proposal for 2020, for presentation purposes (E/CN.7/2019/14-E/CN.15/2019/16, para. 5).

II. Projected expenditure and income

Expenditure projections² by source of funds

4. Expenditure projections for UNODC for the bienniums 2018–2019 and 2020–2021 by source of funds are provided in tables 1 and 2 of the report of the Executive Director, a summary of which is set out in table 1 below.

Table 1

Expenditure projections for 2018–2019 and 2020–2021

(Thousands of United States dollars)

<i>Fund category</i>	<i>2018–2019 (revised)</i>	<i>2018–2019 (final)</i>	<i>2020–2021 (initial)</i>
General-purpose	9 013.7	8 789.6	8 423.2
Special-purpose	648 854.7	616 662.6	697 886.9
Programme support cost	51 952.0	51 015.1	56 446.4
Regular budget	42 485.7	42 485.7	43 315.8
Total	752 306.1	718 953.0	806 072.3

5. As indicated in table 1 above and the supplementary information provided to Advisory Committee, the total expenditure projection for the biennium 2020–2021 amounts to \$806,072,300, which represents an increase of \$53,766,200 (or 7.1 per cent) compared with the revised projections for 2018–2019. Projected expenditure in the consolidated budget for 2020–2021 by source of funds includes the following (*ibid.*, paras. 38 and 40):

(a) General-purpose funds: \$8,423,200, that is, a decrease of \$590,500, or 6.6 per cent, compared with the revised budget for 2018–2019;

(b) Special-purpose funds: \$697,886,900, that is, an increase of \$49,032,200, or 7.6 per cent, compared with the revised budget for 2018–2019;

(c) Programme support cost funds: \$56,446,400, that is, an increase of \$4,494,400, or 8.7 per cent, compared with the revised budget for 2018–2019;

(d) Regular budget: \$43,315,800,³ that is, an increase of \$830,100, or 2 per cent, compared with the current biennium.

6. The Advisory Committee was informed upon enquiry that, in keeping with past practice, the level of expenditure initially projected for the biennium 2018–2019 was subsequently reviewed twice: at mid-biennium, revised expenditure projections were presented in the report of the Executive Director on the implementation of the

¹ Referred to in the report of the Executive Director as the budget of the programme of the Fund of the United Nations International Drug Control Programme and the United Nations Crime Prevention and Criminal Justice Fund.

² Referred to in the report of the Executive Director as “resource projections”.

³ Based on the assumption made by the United Nations Office on Drugs and Crime that the level of resources proposed by the Secretary-General for 2020 will be maintained in his proposal for 2021.

consolidated budget for 2018–2019 for UNODC (E/CN.7/2018/14-E/CN.15/2018/16, table 3); and, towards the end of the biennium, final expenditure projections were included in the consolidated budget for 2020–2021 for UNODC (E/CN.7/2019/14-E/CN.15/2019/16, table 1). The Committee was also informed that the final expenditure projection for the biennium 2018–2019 was \$52.0 million less than the initial projection, mainly because of the postponement to 2020–2021 of activities initially planned in 2018–2019 under the project on alternative development within the framework of the implementation of the peace agreement in Colombia. The Committee was further informed that adjustments in the final projections were generally due to delayed donor contributions and approval for supplementary funds, delayed activities as a result of national policies and political instability in specific regions.

7. The Advisory Committee notes certain inconsistencies in the presentation of comparisons between the expenditure projected for the bienniums 2020–2021 and 2018–2019. As indicated in paragraph 6 above, initial expenditure projections made for the biennium 2018–2019 were reviewed twice; nevertheless, neither the information in the report of the Executive Director nor the supplementary information provide a consistent basis for comparison of expenditure projections between the bienniums 2020–2021 and 2018–2019. The Committee also notes that, in the supplementary information, comparisons are made between initial projections for 2020–2021 and revised projections for 2018–2019. In the report of the Executive Director, in one instance, initial projections under the special-purpose funds for the biennium 2020–2021 are compared in percentage terms with both the revised and the final projections for 2018–2019 (*ibid.*, para. 38), while elsewhere, the comparisons are made both in absolute and percentage terms between the initial projections for 2020–2021 and only the final projections for 2018–2019 (*ibid.*, para. 44).

8. The Advisory Committee also notes that the levels of resources under the regular budget for the bienniums 2016–2017 (\$41,747,300) and 2018–2019 (\$42,485,700) presented in the report of the Executive Director are different from those provided to the Committee for 2016–2017 (\$38,705,400) and 2018–2019 (\$39,556,300) in the context of the consideration of the consolidated budget for the biennium 2018–2019 for UNODC, and that no explanation is provided for the difference (*ibid.*, table 1, and E/CN.7/2017/13-E/CN.15/2017/15, table 1).

9. **In view of the observations made in paragraphs 7 and 8 above, the Advisory Committee considers that the current budget presentation lacks sufficient clarity and consistency and trusts that UNODC will refine its future budget presentations, including by adopting a consistent basis for comparison between past and future expenditure projections (see also para. 23 below).**

Projected income by source of funds

10. The projected income by source of funds for the biennium 2020–2021 are: \$629 million (85.2 per cent) under the special-purpose funds; \$8.8 million (1.2 per cent) under the general-purpose funds; \$57.5 million (7.8 per cent) under the programme support cost funds; and \$43.3 million (5.9 per cent) under the regular budget (E/CN.7/2019/14-E/CN.15/2019/16, para. 30 and figure I).

General-purpose funds

11. The projected expenditure of \$8.4 million under the general-purpose funds is to finance: limited core functions, some normative work of UNODC and the New York liaison office (\$2.4 million); the continuation of support for the Research and Trend Analysis Branch (\$3.5 million) and the Justice Section (\$0.4 million); and the continuation of support for field offices facing programmatic challenges (\$2.1 million) (*ibid.*, para. 42).

12. In his report, the Executive Director underlined the persistent deterioration in general-purpose income and the continued efforts of UNODC to seek support from Member States, including by emphasizing the importance of the soft earmarking of contributions as part of a funding compact, whereby Member States make a

commitment to contributing more core resources and increasing the flexibility of voluntary contributions (*ibid.*, paras. 21 and 35). **The Advisory Committee notes the efforts made by UNODC to seek more flexibility in its voluntary funding and reiterates the importance of achieving an improved balance between special-purpose and general-purpose contributions to ensure a sustainable financing model and support from Member States and donors for the implementation of mandated programmes (E/CN.7/2017/13-E/CN.15/2017/15, para. 11).**

Special-purpose funds

13. Projected expenditure under the special-purpose funds for 2020–2021 comprise \$338.3 million under the drug programme fund and \$359.6 million under the crime programme fund, representing an increase of 13.2 per cent⁴ over the final projections for 2018–2019. The overall increase consists of an increase of \$70.4 million (or 26.3 per cent) under the drug programme fund and of \$10.7 million (or 3.1 per cent) under the crime programme fund. Increased implementation is expected for the Global Maritime Crime Programme and the Global Programme for Combating Wildlife and Forest Crime, as well as for the projects on alternative development within the framework of the implementation of the peace agreement in Colombia and on countering transnational organized crime, illicit drug trafficking and preventing terrorism in Central Asia (*ibid.*, paras. 38 and 44).

Programme support cost funds

14. In his report, the Executive Director indicated that the expenditure under programme support cost funds for 2020–2021 was prudently estimated at \$56.4 million, lower than the projected income of \$57.5 million, in view of the risk of lower-than-targeted programme delivery and the need to maintain the mandatory level of reserves (*ibid.*, paras. 39–40). Details concerning changes in the programme support cost budget are provided in paragraph 46 of the report.

15. The Executive Director also indicated that UNODC adhered to the policy of applying a cost-recovery rate of 13 per cent in respect of programme support costs and ensured the application of clear and consistent criteria in the granting of exceptions to that standard rate. The projected resources in the consolidated budget for 2020–2021 reflect the application of reduced rates for specific programme support costs as prescribed by the Controller (*ibid.*, para. 6). The Executive Director further indicated that UNODC, through the use of improved Umoja functionality and early-warning dashboards, would continue to monitor its cost structures against programme needs to ensure a transparent costing of its programmes (*ibid.*, para. 54).

16. The Advisory Committee was informed upon enquiry that, owing to variations in the approved rates of cost recovery, the average rate of recovery for programme support costs was 10 per cent for UNODC. The Committee was also informed that UNODC continued to follow its revised funding model, introduced in the biennium 2014–2015 to standardize a system of cost recovery for technical assistance activities and to avoid unwarranted subsidies from the regular budget or general-purpose funds. **In view of the persistent deterioration in general-purpose income, the Advisory Committee continues to encourage UNODC to further re-examine and refine its system of full cost recovery and to enhance transparency in the implementation of its cost-recovery mechanisms (see also E/CN.7/2017/13-E/CN.15/2017/15, para. 15).**

Regular budget

17. The Advisory Committee has provided its recommendations regarding the proposed resources for UNODC under sections 16 and 23 of the proposed programme budget for 2020 in its most recent report (see [A/74/7](#), chap. II). The General Assembly will consider the report of the Committee during the main part of its seventy-fourth session.

⁴ An increase of 7.6 per cent when compared with the revised budget for 2018–2019.

Staffing projections

18. Post requirements for UNODC for the bienniums 2018–2019 and 2020–2021 are provided in tables 2 and 5 of the report of the Executive Director, a summary of which is set out in table 2 below.

Table 2
Staffing projections for 2018–2019 and 2020–2021

<i>Category</i>	<i>2018–2019</i>	<i>2020–2021</i>
General-purpose funds	22	18
Subtotal	22	18
Special-purpose funds		
Drug programme fund	135	103
Crime programme fund	238	264
Subtotal	373	367
Programme support cost funds	130	132
Subtotal	130	132
Regular budget	125	124
Subtotal	125	124
Total	650	641

19. The Executive Director also indicated in his report that, as of June 2019, in addition to the posts for 2020–2021, as shown in table 2 above, there were 1,548 field office local positions (63 National Professional Officer and 99 General Services (Local level) posts and 1,386 service contracts) administered by the United Nations Development Programme (UNDP) on behalf of UNODC. Many of those posts are of a temporary nature and their level is subject to frequent changes (E/CN.7/2019/14-E/CN.15/2019/16, table 2, footnote (a)). **The Advisory Committee recalls that, in its resolution 73/268 A, the General Assembly endorsed the Committee’s recommendation that United Nations entities exercise proper oversight in the application of relevant policies and guidelines, such as in the recruitment of and the overall management process relating to non-staff personnel, including consultants, and ensure the ongoing transparency of information provided thereon. The Committee trusts that UNODC will provide further information on the status of the local positions and service contracts administered on its behalf by UNDP in its next budget report.**

20. Staffing proposals in the report of the Executive Director reflect changes to post requirements, including: (a) the reduction of four posts financed from general-purpose funds through the transfer of two posts to programme support cost funds and of two other posts to special-purpose funds (*ibid.*, para. 42 (b)); (b) the regularization of the post of Deputy Director, Division for Operations, at the D-1 level (*ibid.*, para. 46 (b)); and (c) the reclassification from the P-5 to the D-1 level of the post of Field Office Representative in three regional offices, namely the Regional Office for South-East Asia and the Pacific, the Regional Office for Eastern Africa and the Regional Office for the Central America and the Caribbean (*ibid.*, para. 46 (a)).

Reclassifications

21. Regarding the proposed three reclassifications related to the regional offices, it is indicated in the report that all three field offices manage programmes at similar or higher levels compared with other locations headed by representatives at the D-1 level (*ibid.*, para. 240). In addition, the existing level of representation of the United Nations entities in all three locations has been affected by the United Nations reform and the establishment of the United Nations Development Coordination Office regional hubs, which require increased coordination at the regional level (*ibid.*,

para. 239). The Executive Director also indicated that the representatives in the three locations are to assume increased responsibilities in their regions and engage with the Governments and other United Nations entities under the leadership of the United Nations regional coordinator system (*ibid.*, para. 46 (a)).

22. Upon enquiry, the Advisory Committee was informed that representation by staff at more senior levels would enhance the ability of UNODC to further integrate its mandates into the wider United Nations system-wide response. The Committee was also informed that UNODC representatives were required to interact with officials at the highest levels both in partner entities (United Nations) and in the Governments of host countries, and that the proposed reclassification from P-5 to D-1 also related to the enhancement of the level of representation in those locations.

23. The Advisory Committee notes that the organizational structure, post distribution and staffing tables provided in the report of the Executive Director do not reflect the regional structures and their staffing complement, nor do they provide a clear distinction between the six existing D-1 level posts and the increases resulting from the proposed reclassifications (*ibid.*, annex IV). **The Advisory Committee considers that a clear presentation of the existing regional structures and their staffing complement, along with the proposed changes in the staffing complement of the related regions, would have facilitated comparisons among the different regional offices of UNODC and their relative staffing strength. The Committee expects that UNODC will enhance the presentation of its staffing proposals, including by clearly indicating the location of its regional and other offices and their staffing complement in its future budget submissions.**

24. **The Advisory Committee also considers that the rationale and justifications provided for the proposed reclassification of posts are not convincing. The Committee stresses that, where changes in mandates or operational circumstances warrant it, reclassifications to higher-level posts should be fully justified in accordance with the standards set by the International Civil Service Commission.**

III. Other matters

Status of implementation of outstanding recommendations

25. The Advisory Committee notes that there were 65 outstanding recommendations up to the year ended 31 December 2017, of which 25 (38 per cent) had been fully implemented and 40 (62 per cent) were under implementation at the end of 2018 (see [A/74/5/Add.10](#)). Upon request, the Committee was provided with the status of implementation of outstanding recommendations of the Board of Auditors. **The Advisory Committee expects that all outstanding recommendations of the Board of Auditors will be implemented within the agreed time frames.**

26. The Advisory Committee recalls that a summary of the actions taken by UNODC to implement the recommendations of the Board of Auditors was annexed to the report of the Executive Director for the biennium 2018–2019 ([E/CN.7/2017/12-E/CN.15/2017/14](#), annex V). However, the Committee notes that no such summary was included in the most recent report of the Executive Director. **The Advisory Committee considers the information on the status of implementation of recommendations of the Board of Auditors to be useful and trusts that UNODC will include such information in its future budget submissions. The Committee also trusts that UNODC will also include a summary of the recommendations of the Committee and of actions taken.**

Compliance with the policy for advance booking of air travel

27. The Advisory Committee recalls that, in 2018, only 16.2 per cent of air tickets had been purchased at least two weeks before the commencement of travel (see [A/74/7](#), para. IV.113). Upon enquiry, the Committee was informed that, for the period from 1 January to 31 October of 2019, 24.8 per cent of all travel requests of UNODC

had been finalized at least 16 days prior to the actual date of departure and that compliance with the advance booking policy was being monitored through quarterly reports. **The Advisory Committee trusts that UNODC will redouble its efforts to increase the rate of compliance with the policy for advance booking of air travel.**

Risk management

28. In his report, the Executive Director indicated that, subsequent to the roll-out of the Anti-Fraud and Anti-Corruption Framework of the United Nations Secretariat, UNODC had conducted a fraud and corruption risk assessment, to be integrated into the institutional risk register along with the risk response and treatment plan in 2019. He also indicated that UNODC would review and update its institutional risk registers and treatment plans during 2020–2021 (E/CN.7/2019/14-E/CN.15/2019/16, para. 74). **The Advisory Committee looks forward to receiving updates on this matter in the next budget submission of UNODC.**

Collaboration between the United Nations Office on Drugs and Crime and the Office of Counter-Terrorism

29. In his report, the Executive Director indicated the proposed discontinuation in the biennium 2020–2021 of a senior expert position at the D-1 level in New York funded from general temporary assistance (ibid., para. 167). Upon enquiry, the Advisory Committee was informed that, to ensure enhanced coordination in the area of counter-terrorism, in late 2018, the temporary position of Senior Advisor at the D-1 level had been placed in the Office of Counter-Terrorism in New York under a cost-sharing arrangement at the time when that Office was in the process of developing various initiatives, including the joint funding appeal. The Committee was also informed that UNODC was exploring other modalities and possible forms of useful collaborations with the Office of Counter-Terrorism. **The Advisory Committee encourages UNODC to continue its collaboration with the Office of Counter-Terrorism in the implementation of relevant mandates. At the same time, the Committee recalls that, pursuant to General Assembly resolution 35/217, proposals for establishing new posts at the D-1 level and above funded through extrabudgetary sources for a period of 12 months or more that are not otherwise subject to scrutiny by an intergovernmental body require the concurrence of the Committee (see also A/74/7, para. 110).**

Multilingual dictionaries

30. The programme of work of UNODC includes updates to the *Multilingual Dictionary of Narcotic Drugs and Psychotropic Substances under International Control* and the *Multilingual Dictionary of Precursors and Chemicals Frequently Used in the Illicit Manufacture of Narcotic Drugs and Psychotropic Substances under International Control* (E/CN.7/2019/14-E/CN.15/2019/16, para. 188). The Advisory Committee was informed upon enquiry that the former was conceptualized as a multi-field dictionary, combining chemistry with aspects of international drug control, and consisted of individual monographs, which provided comprehensive information on the chemical names of all controlled substances under the conventions and information on other existing chemical names and variants, synonyms, common generic and trade names. The information, including updates reflecting recent scheduling or rescheduling decisions of the Commission on Narcotic Drugs, is presented in the six official languages of the United Nations and can be accessed online.⁵

⁵ Available at www.unodc.org/unodc/en/scientists/publications-drug-and-precursors-control.html.